



April 10, 2009

ENGROSSED SENATE BILL No. 374

DIGEST OF SB 374 (Updated April 8, 2009 12:38 pm - DI 44)

Citations Affected: IC 4-4; IC 4-20.5; IC 5-1.5; IC 5-11; IC 5-22; IC 6-1.1; IC 6-3.5; IC 8-14; IC 8-23; IC 8-24; IC 36-7; IC 36-9; noncode.

Synopsis: Various transportation matters. Allows the Indiana department of transportation (INDOT) and other state agencies to enter into leases of highway rights-of-way and other state property under which the lessee is responsible for the growth, maintenance, and harvesting of grasses or other plants that are suitable for: (1) processing into fuels or other energy products; or (2) feed for livestock. Provides that, before entering into a lease, an agency must consult with the invasive species council in order to obtain recommendations concerning the appropriateness of the vegetation proposed to be planted. Provides that a lease with an agency other than INDOT must prohibit the lessee from planting vegetation to replace existing native forest communities. Permits counties to establish a regional transportation district to plan, design, acquire, construct, enlarge, improve, renovate, maintain, equip, finance, operate, and support public transportation systems. Permits the creation of allocation areas, the establishment of a special allocation of county adjusted gross
(Continued next page)

Effective: Upon passage; July 1, 2008 (retroactive); January 1, 2009 (retroactive); July 1, 2009.

Waltz, Steele, Landske

(HOUSE SPONSORS — FRY, GRUBB, BORDERS)

January 8, 2009, read first time and referred to Committee on Natural Resources.
February 16, 2009, amended, reported favorably — Do Pass.
February 23, 2009, read second time, amended, ordered engrossed.
February 24, 2009, engrossed. Read third time, passed. Yeas 48, nays 0.

HOUSE ACTION

March 2, 2009, read first time and referred to Committee on Interstate and International Cooperation.
April 9, 2009, amended, reported — Do Pass.

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income taxes or county option income taxes, and the imposition of a county economic development income tax, or a special benefits property tax to provide funding to regional transportation districts. Permits other public transportation agencies to merge into a regional transportation district. Authorizes the governor to appoint a deputy commissioner for the department of transportation to assist the commissioner with the public transportation responsibilities of the department. Makes appropriations to certain mass transportation projects or agencies. Provides for a distribution of money from federal funds and the next generation trust fund to counties, cities, and towns for engineering, land acquisition, construction, resurfacing, restoration, and rehabilitation of highway facilities. Modifies the terms of the next generation trust fund to permit a distribution from the fund. Requires that a part of State Road 331 be operated as a limited access facility. Provides that a permit is not required for an outdoor advertising sign along an interstate or highway if: (1) the sign provides certain information with respect to business activities at a commonly owned nonadjacent property within five miles of the sign; and (2) the property on which the sign is located is used in conjunction with the nonadjacent property. (Current law requires a permit unless the sign is located on the same property where the business activities are conducted.) Allows the shoreline development commission to establish green sustainability districts, each of which must contain at least 250 contiguous acres. Requires the commission to: (1) develop a report concerning the districts; and (2) submit the report before November 1, 2009, to the governor and the legislative council. Repeals the requirement that a public transportation corporation hold a public hearing concerning proposed expanded service and the information related to the hearing. Repeals the provision concerning the treatment of bids to provide the expanded service by an authorized motor carrier.

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April 10, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 374

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-11-15.6, AS ADDED BY P.L.214-2005,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 15.6. In addition to the powers listed in
4 section 15 of this chapter, the authority may:

5 (1) issue bonds under terms and conditions determined by the
6 authority and use the proceeds of the bonds to acquire obligations
7 issued by any entity authorized to acquire, finance, construct, or
8 lease capital improvements under IC 5-1-17; ~~and~~

9 (2) issue bonds under terms and conditions determined by the
10 authority and use the proceeds of the bonds to acquire any
11 obligations issued by the northwest Indiana regional development
12 authority established by IC 36-7.5-2-1; **and**

13 (3) **issue bonds under terms and conditions determined by the**
14 **authority and use the proceeds of the bonds to acquire any**
15 **obligations issued by a regional transportation district**
16 **established under IC 8-24-2.**

17 SECTION 2. IC 4-20.5-1-11 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. **(a) Except as provided in subsection (b), "property" means real property or an interest in real property, including the following:**

- (1) Any ownership interest in real property.
- (2) A leasehold.
- (3) A right-of-way.
- (4) An easement, including a utility easement.

The term does not include personal property or an interest in personal property.

(b) For purposes of IC 4-20.5-22, "property" means any ownership interest in real property.

SECTION 3. IC 4-20.5-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 22. Planting Grasses and Other Plants for Energy Production or Livestock Feed

Sec. 1. This chapter does not apply to a lease under IC 8-23-24.5.

Sec. 2. The intent of this chapter is to encourage the use of property owned by the state to promote the growth and harvesting of vegetation to be used as fuels and other energy products or as feed for livestock.

Sec. 3. As used in this chapter, "agency " has the meaning set forth in IC 4-20.5-1-3. The term includes a state institution.

Sec. 4. As used in this chapter, "vegetation" refers to grasses or other plants that:

- (1) are suitable for processing into fuels or other energy products; or
- (2) may be used to feed livestock.

Sec. 5. (a) To the extent permitted by federal law and when consistent with public safety, an agency may enter into leases with appropriate persons for the persons to plant, maintain, and harvest vegetation on state property owned or maintained by the agency for use in production of energy or for use as feed for livestock.

(b) Before entering into a lease under this chapter, an agency shall consult with the invasive species council established by IC 15-16-10-3 in order to obtain recommendations from the council concerning the appropriateness of the vegetation proposed to be planted under the terms of the lease.

Sec. 6. A lease under this chapter must provide for the following:

- (1) The lessee is responsible for planting, maintaining, and harvesting the vegetation at the lessee's cost.

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(2) The lessee becomes the owner of the vegetation when harvested.

(3) The harvested vegetation must be used for the production of fuels or other energy products or as feed for livestock.

(4) The lease must include limitations on the height of any vegetation that is grown.

(5) The lessee may not plant vegetation to replace existing native forest communities.

Sec. 7. A lease under this chapter may provide for the following:

(1) Any term of the lease that the agency considers best to implement the intent of this chapter, but not for more than four (4) years.

(2) For the lease of parcels of sizes that the agency considers the best to implement the intent of this chapter.

(3) Any other provisions that the agency considers useful to implement the intent of this chapter.

Sec. 8. The agency shall award a lease under this chapter to the responsive and responsible bidder who submits the highest bid for the particular lease.

SECTION 4. IC 5-1.5-1-8, AS AMENDED BY P.L.232-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. "Qualified entity" means:

- (1) a political subdivision (as defined in IC 36-1-2-13);
- (2) a state educational institution;
- (3) a leasing body (as defined in IC 5-1-1-1(a));
- (4) a not-for-profit utility (as defined in IC 8-1-2-125);
- (5) any rural electric membership corporation organized under IC 8-1-13;
- (6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;
- (7) any telephone cooperative corporation formed under IC 8-1-17;
- (8) any commission, authority, or authorized body of any qualified entity;
- (9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;
- (10) any commission, authority, or instrumentality of the state;
- (11) any other participant (as defined in IC 13-11-2-151.1);
- (12) a charter school established under IC 20-5.5 (before its repeal) or IC 20-24 that is not a qualified entity under

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IC 5-1.4-1-10;

(13) a volunteer fire department (as defined in IC 36-8-12-2); ~~or~~

(14) a development authority (as defined in IC 36-7.6-1-8); **or**

(15) a regional transportation district established under IC 8-24-2.

SECTION 5. IC 5-11-10-1, AS AMENDED BY P.L.2-2007, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This section applies to the state and its political subdivisions. However, this section does not apply to the following:

(1) A state educational institution, including Ivy Tech Community College **of Indiana.**

(2) A municipality (as defined in IC 36-1-2-11).

(3) A county.

(4) An airport authority operating in a consolidated city.

(5) A capital improvements board of managers operating in a consolidated city.

(6) A board of directors of a public transportation corporation operating in a consolidated city.

(7) A municipal corporation organized under IC 16-22-8-6.

(8) A public library.

(9) A library services authority.

(10) A hospital organized under IC 16-22 or a hospital organized under IC 16-23.

(11) A school corporation (as defined in IC 36-1-2-17).

(12) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

(13) A municipally owned utility (as defined in IC 8-1-2-1).

(14) A board of an airport authority under IC 8-22-3.

(15) A conservancy district.

(16) A board of aviation commissioners under IC 8-22-2.

(17) A public transportation corporation under IC 36-9-4.

(18) A commuter transportation district under IC 8-5-15.

(19) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).

(20) A county building authority under IC 36-9-13.

(21) A soil and water conservation district established under IC 14-32.

(22) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.

(23) A regional transportation district established under IC 8-24-2.

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(b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

(c) The certificate provided for in subsection (b) is not required for:

- (1) claims rendered by a public utility for electric, gas, steam, water, or telephone services, the charges for which are regulated by a governmental body;
- (2) a warrant issued by the auditor of state under IC 4-13-2-7(b);
- (3) a check issued by a special disbursing officer under IC 4-13-2-20(g); or
- (4) a payment of fees under IC 36-7-11.2-49(b) or IC 36-7-11.3-43(b).

(d) The disbursing officer shall issue checks or warrants for all claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the following form:

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

SECTION 6. IC 5-11-10-1.6, AS AMENDED BY P.L.169-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. (a) As used in this section, "governmental entity" refers to any of the following:

- (1) A municipality (as defined in IC 36-1-2-11).
- (2) A school corporation (as defined in IC 36-1-2-17), including a school extracurricular account.
- (3) A county.
- (4) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).
- (5) A municipally owned utility that is subject to IC 8-1.5-3 or IC 8-1.5-4.
- (6) A board of an airport authority under IC 8-22-3.
- (7) A board of aviation commissioners under IC 8-22-2.
- (8) A conservancy district.
- (9) A public transportation corporation under IC 36-9-4.
- (10) A commuter transportation district under IC 8-5-15.
- (11) The state.



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(12) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).

(13) A levee authority established under IC 14-27-6.

(14) A county building authority under IC 36-9-13.

(15) A soil and water conservation district established under IC 14-32.

(16) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.

(17) A regional transportation district established under IC 8-24-2.

(b) As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

(1) there is a fully itemized invoice or bill for the claim;

(2) the invoice or bill is approved by the officer or person receiving the goods and services;

(3) the invoice or bill is filed with the governmental entity's fiscal officer;

(4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim.

This subsection does not prohibit a school corporation, with prior approval of the board having jurisdiction over allowance of payment of the claim, from making payment in advance of receipt of services as allowed by guidelines developed under IC 20-20-13-10. This subsection does not prohibit a municipality from making meal expense advances to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment, specifying the maximum amount that may be paid in advance, specifying the required invoices and other documentation that must be submitted by the municipal employee, and providing for reimbursement from the wages of the municipal employee if the municipal employee does not submit the required invoices and documentation.

(d) The fiscal officer of a governmental entity shall issue checks or warrants for claims by the governmental entity that meet all of the requirements of this section. The fiscal officer does not incur personal liability for disbursements:

(1) processed in accordance with this section; and

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(2) for which funds are appropriated and available.

(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts.

SECTION 7. IC 5-22-21-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This chapter applies only to personal property owned by a governmental body that is a state agency.

(b) This chapter does not apply to the following:

(1) The sale of timber by the department of natural resources under IC 14-23-4.

(2) The satisfaction of a lien or judgment by a state agency under court proceedings.

(3) The disposition of unclaimed property under IC 32-34-1.

(4) The sale or harvesting of vegetation (as defined in IC 8-23-24.5-3) under IC 8-23-24.5.

(5) The sale or harvesting of vegetation (as defined in IC 4-20.5-22-4) under IC 4-20.5-22.

SECTION 8. IC 6-1.1-20-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. As used in this chapter, "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals, but does not include taxes allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, **IC 8-24-14-6**, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53.

SECTION 9. IC 6-1.1-21.2-3, AS AMENDED BY P.L.146-2008, SECTION 231, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "allocation area" refers to an area that is established under the authority of any of the following statutes and in which tax increment revenues are collected:

~~(1)~~ IC 6-1.1-39

~~(2)~~ IC 8-22-3.5

IC 8-24-14

~~(3)~~ IC 36-7-14

~~(4)~~ IC 36-7-14.5

~~(5)~~ IC 36-7-15.1

~~(6)~~ IC 36-7-30

~~(7)~~ IC 36-7-30.5

SECTION 10. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this chapter, "base assessed value" means the base assessed value as that term is defined or used in:

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- 1 ~~(1)~~ IC 6-1.1-39-5(h)
 2 ~~(2)~~ IC 8-22-3.5-9(a)
 3 ~~(3)~~ IC 8-22-3.5-9.5
 4 **IC 8-24-1-4**
 5 **IC 8-24-14-6**
 6 ~~(4)~~ IC 36-7-14-39(a)
 7 ~~(5)~~ IC 36-7-14-39.2
 8 ~~(6)~~ IC 36-7-14-39.3(c)
 9 ~~(7)~~ IC 36-7-14-48
 10 ~~(8)~~ IC 36-7-14.5-12.5
 11 ~~(9)~~ IC 36-7-15.1-26(a)
 12 ~~(10)~~ IC 36-7-15.1-26.2(c)
 13 ~~(11)~~ IC 36-7-15.1-35(a)
 14 ~~(12)~~ IC 36-7-15.1-35.5
 15 ~~(13)~~ IC 36-7-15.1-53
 16 ~~(14)~~ IC 36-7-15.1-55(c)
 17 ~~(15)~~ IC 36-7-30-25(a)(2)
 18 ~~(16)~~ IC 36-7-30-26(c)
 19 ~~(17)~~ IC 36-7-30.5-30 ~~or~~
 20 ~~(18)~~ IC 36-7-30.5-31

21 SECTION 11. IC 6-1.1-21.2-5, AS AMENDED BY P.L.146-2008,
 22 SECTION 233, IS AMENDED TO READ AS FOLLOWS
 23 [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter,
 24 "district" refers to the following:

- 25 (1) An economic development district under IC 6-1.1-39.
 26 (2) An eligible entity (as defined in IC 8-22-3.5-2.5).
 27 **(3) A regional transportation district established under**
 28 **IC 8-24-2.**
 29 ~~(3)~~ **(4)** A redevelopment district, for an allocation area established
 30 under:
 31 (A) IC 36-7-14; or
 32 (B) IC 36-7-15.1.
 33 ~~(4)~~ **(5)** A special taxing district, as described in:
 34 (A) IC 36-7-14.5-12.5(d); or
 35 (B) IC 36-7-30-3(b).
 36 ~~(5)~~ **(6)** A military base development area under IC 36-7-30.5-16.

37 SECTION 12. IC 6-1.1-21.2-6, AS AMENDED BY P.L.146-2008,
 38 SECTION 234, IS AMENDED TO READ AS FOLLOWS
 39 [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter,
 40 "governing body" means the following:

- 41 (1) For an allocation area created under IC 6-1.1-39, the fiscal
 42 body of the county (as defined in IC 36-1-2-6).

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(2) For an allocation area created under IC 8-22-3.5, the commission (as defined in IC 8-22-3.5-2).

(3) For an allocation area created under IC 8-24-14, the board (as defined in IC 8-24-1-5).

~~(3)~~ (4) For an allocation area created under IC 36-7-14, the redevelopment commission.

~~(4)~~ (5) For an allocation area created under IC 36-7-14.5, the redevelopment authority.

~~(5)~~ (6) For an allocation area created under IC 36-7-15.1, the metropolitan development commission.

~~(6)~~ (7) For an allocation area created under IC 36-7-30, the military base reuse authority.

~~(7)~~ (8) For an allocation area created under IC 36-7-30.5, the military base development authority.

SECTION 13. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008, SECTION 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. As used in this chapter, "property taxes" means **the following**:

(1) Property taxes, as defined in **the following**:

(A) IC 6-1.1-39-5(g).

(B) IC 8-24-1-10.

~~(B)~~ (C) IC 36-7-14-39(a).

~~(C)~~ (D) IC 36-7-14-39.2.

~~(D)~~ (E) IC 36-7-14-39.3(c).

~~(E)~~ (F) IC 36-7-14.5-12.5.

~~(F)~~ (G) IC 36-7-15.1-26(a).

~~(G)~~ (H) IC 36-7-15.1-26.2(c).

~~(H)~~ (I) IC 36-7-15.1-53(a).

~~(I)~~ (J) IC 36-7-15.1-55(c).

~~(J)~~ (K) IC 36-7-30-25(a)(3).

~~(K)~~ (L) IC 36-7-30-26(c).

~~(L)~~ (M) IC 36-7-30.5-30. ~~or~~

~~(M)~~ (N) IC 36-7-30.5-31. ~~or~~

(2) For allocation areas created under IC 8-22-3.5, the taxes assessed on taxable tangible property in the allocation area.

SECTION 14. IC 6-1.1-21.2-8, AS AMENDED BY P.L.146-2008, SECTION 237, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. As used in this chapter, "special fund" means **the following**:

(1) The special funds referred to in IC 6-1.1-39-5.

(2) The special funds referred to in IC 8-22-3.5-9(e).

(3) The special funds referred to in IC 8-24-14-6.

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~~(3)~~ (4) The allocation fund referred to in IC 36-7-14-39(b)(2).

~~(4)~~ (5) The allocation fund referred to in IC 36-7-14.5-12.5(d).

~~(5)~~ (6) The special fund referred to in IC 36-7-15.1-26(b)(2).

~~(6)~~ (7) The special fund referred to in IC 36-7-15.1-53(b)(2).

~~(7)~~ (8) The allocation fund referred to in IC 36-7-30-25(b)(2). or

~~(8)~~ (9) The allocation fund referred to in IC 36-7-30.5-30(b)(2).

SECTION 15. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

(1) the allocation amount of the civil taxing unit for that calendar year; plus

(2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus

(3) in the case of a county, an amount equal to the welfare allocation amount.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be ~~allocated only among~~ used to:

(1) make distributions of certified shares to the county's civil taxing units under subsection (c); or

(2) fund the operation or other projects of a regional transportation district as provided in an election, if any, made by a county fiscal body under IC 8-24-13-4.

(c) Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

(A) the attributed allocation amount of the civil taxing unit during that calendar year; by

(B) the sum of the attributed allocation amounts of all the civil

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taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares **that is not distributed under subsection (b)(2)** by the STEP ONE amount.

~~(c)~~ **(d)** The local government tax control board established by IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

~~(d)~~ **(e)** Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 16. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; ~~and~~
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter; ~~and~~
- (8) fund the operation or other projects of a regional transportation district as provided in an election, if any, made**

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by a county fiscal body under IC 8-24-13-4.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

(1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and

(2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

(1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

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(1) The amount to be distributed as distributive shares during that month; multiplied by

(2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 17. IC 6-3.5-7-5, AS AMENDED BY P.L.146-2008, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

(1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on March 31 of the year the county economic development income tax is imposed;

(2) the county council if the county adjusted gross income tax is in effect on March 31 of the year the county economic development tax is imposed; or

(3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) and

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~~section~~ sections 28 and 34 of this chapter, the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), (w), (x), or (y), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), (u), (w), (x), or (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after March 31 but before August 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect October 1 of this year."

(e) Any ordinance adopted under this chapter takes effect October 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of:
 - (A) fifteen-hundredths percent (0.15%);
 - (B) two-tenths percent (0.2%); or

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1 (C) twenty-five hundredths percent (0.25%); and
 2 (2) county economic development income tax rate plus the county
 3 option income tax rate that are in effect on January 1 of a year
 4 may equal up to one and twenty-five hundredths percent (1.25%);
 5 if the county income tax council makes a determination to impose rates
 6 under this subsection and section 22 of this chapter.

7 (h) For a county having a population of more than forty-one
 8 thousand (41,000) but less than forty-three thousand (43,000), except
 9 as provided in subsection (p), the county economic development
 10 income tax rate plus the county adjusted gross income tax rate that are
 11 in effect on January 1 of a year may not exceed one and thirty-five
 12 hundredths percent (1.35%) if the county has imposed the county
 13 adjusted gross income tax at a rate of one and one-tenth percent (1.1%)
 14 under IC 6-3.5-1.1-2.5.

15 (i) For a county having a population of more than thirteen thousand
 16 five hundred (13,500) but less than fourteen thousand (14,000), except
 17 as provided in subsection (p), the county economic development
 18 income tax rate plus the county adjusted gross income tax rate that are
 19 in effect on January 1 of a year may not exceed one and fifty-five
 20 hundredths percent (1.55%).

21 (j) For a county having a population of more than seventy-one
 22 thousand (71,000) but less than seventy-one thousand four hundred
 23 (71,400), except as provided in subsection (p), the county economic
 24 development income tax rate plus the county adjusted gross income tax
 25 rate that are in effect on January 1 of a year may not exceed one and
 26 five-tenths percent (1.5%).

27 (k) This subsection applies to a county having a population of more
 28 than twenty-seven thousand four hundred (27,400) but less than
 29 twenty-seven thousand five hundred (27,500). Except as provided in
 30 subsection (p), in addition to the rates permitted under subsection (b):

31 (1) the county economic development income tax may be imposed
 32 at a rate of twenty-five hundredths percent (0.25%); and

33 (2) the sum of the county economic development income tax rate
 34 and the county adjusted gross income tax rate that are in effect on
 35 January 1 of a year may not exceed one and five-tenths percent
 36 (1.5%);

37 if the county council makes a determination to impose rates under this
 38 subsection and section 22.5 of this chapter.

39 (l) For a county having a population of more than twenty-nine
 40 thousand (29,000) but less than thirty thousand (30,000), except as
 41 provided in subsection (p), the county economic development income
 42 tax rate plus the county adjusted gross income tax rate that are in effect

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on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

(1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

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may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and
- (2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
 - (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);
- if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

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(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) An additional county economic development income tax rate imposed under section 28 **or 34** of this chapter may not be considered in calculating any limit under this section on the sum of:

- (1) the county economic development income tax rate plus the county adjusted gross income tax rate; or
- (2) the county economic development tax rate plus the county option income tax rate.

(x) The income tax rate limits imposed by subsection (c) or (y) or any other provision of this chapter do not apply to:

- (1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- (2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or (y) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(y) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 18. IC 6-3.5-7-34 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34. (a) This section applies only to a county that is a member of a regional transportation district established under IC 8-24-2.**

(b) In addition to the rates permitted by section 5 of this

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chapter, the entity that imposed the county economic development income tax under section 5 of this chapter (or, in the case of a county that has not imposed the county economic development income tax, the entity that may impose the county economic development income tax under section 5(a)(3) of this chapter) may by ordinance impose an additional county economic development income tax at a rate of:

- (1) twenty-five hundredths of one percent (0.25%); or
- (2) five-hundredths of one percent (0.05%);

on the adjusted gross income of county taxpayers.

(c) If an additional county economic development income tax is imposed under this section, the county treasurer shall establish a county regional transportation district fund. Notwithstanding any other provision of this chapter, the county economic development income tax revenues derived from the additional county economic development income tax imposed under this section must be deposited in the county regional transportation district fund before any certified distributions are made under section 12 of this chapter.

(d) County economic development income tax revenues derived from the additional county economic development income tax imposed under this section and deposited in the county regional transportation district fund:

- (1) shall, not more than thirty (30) days after being deposited in the county regional transportation district fund, be transferred to the treasurer of the regional transportation district for which the county is a member; and
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy under IC 6-1.1-18.5.

(e) Notwithstanding sections 5 and 6 of this chapter, if a county becomes a member of a regional transportation district under IC 8-24-2 and imposes an additional county economic development income tax under this section, then, notwithstanding section 11 or any other provision of this chapter, the initial certified distribution of the tax revenue and the certification in each subsequent year that results from the additional tax shall be distributed to the county treasurer from the account established for the county under this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county adopts the ordinance to impose the additional tax:

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(1) One-fourth (1/4) on October 1 of the year in which the ordinance to impose the additional tax is adopted.

(2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance to impose the additional tax is adopted.

(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance to impose the additional tax is adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance to impose the additional tax is adopted.

SECTION 19. IC 8-14-2-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008 (RETROACTIVE)]: **Sec. 4.5. (a) The definitions in this subsection apply throughout this section:**

(1)"Designated federal funds" refers to the following:

(A) Two hundred fifty million dollars (\$250,000,000) from the amount of the:

(i) federal fiscal year 2009 highway bridge program funds authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law Number 109-59;

(ii) federal fiscal year 2009 equity bonus program funds authorized under Section 105(a) of the Title 23 of the United States Code; and

(iii) federal fiscal year 2009 surface transportation program funds authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law Number 109-59;

that were apportioned to Indiana by the United States Department of Transportation Federal Highway Administration for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009. The term includes any amount appropriated by law for use by the Indiana department of transportation.

(B) Eighteen and two tenths percent (18.2%) of the amount of Indiana's apportionment of grants to the states from the state fiscal stabilization fund under Division A, Title XIV of the federal American Recovery and Reinvestment Act of 2009, which under Section 14002(b)(1) of Division A, Title XIV of the federal American Recovery and Reinvestment Act of 2009 may be used for public safety or other

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governmental services.

(C) Two hundred million dollars (\$200,000,000) from Indiana's apportionment of grants to the states under the federal American Recovery and Reinvestment Act of 2009 (other than the amount described in clause (B)) that are eligible to be used for engineering, land acquisition, construction, resurfacing, restoration, or rehabilitation of highway facilities.

(2) "Designated next generation trust money" refers to two hundred fifty million dollars (\$250,000,000) from the next generation trust fund under IC 8-14-15.

(b) Notwithstanding any other law, the budget agency shall allot and the auditor of state shall distribute the total of all designated federal funds and designated next generation trust money to counties, cities, and towns in Indiana. The total to be distributed shall be allocated among the counties and suballocated within a county between the county and the cities and towns in the county in the same proportion as money in the local road and street account is allocated and suballocated under section 4(c) of this chapter. The money shall be distributed as soon as practicable after the money is received from the federal government.

(c) A county, city, or town shall separately account for money distributed under this section. The county, city, or town shall use the money distributed under this section exclusively for engineering, land acquisition, construction, resurfacing, restoration, and rehabilitation of highway facilities. Any part of a distribution made from designated federal funds may be used only as permitted by the federal laws and regulations governing the use of the designated federal funds.

(d) The total amount specified in this section as designated federal funds and the total amount specified in this section as designated next generation trust money is appropriated to the budget agency for the purposes of this section, beginning July 1, 2008, and ending June 30, 2011. Notwithstanding IC 4-13-2-19, the money appropriated by this section does not revert to the state general fund or to another fund at the close of any state fiscal year but remains available to the budget agency until the purposes for which it was appropriated are fulfilled.

(e) Unless otherwise provided by law, the amounts distributed under this section to a county, city, or town must be expended for the purposes of this section before July 1, 2011.

SECTION 20. IC 8-14-15-4, AS ADDED BY P.L.47-2006,

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SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The authority shall establish a next generation trust fund to hold title to proceeds transferred to the trust under IC 8-15.5-11 to be used exclusively for the provision of highways, roads, and bridges for the benefit of the people of Indiana and the users of those facilities.

(b) **Subject to this chapter**, the trust ~~shall be established as is~~ a charitable trust, separate from the state, but for the benevolent public purpose provided in this section.

(c) The trust consists of the proceeds transferred to the trust under IC 8-15.5-11 and any income that accrues from the investment of these proceeds.

SECTION 21. IC 8-14-15-6, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a) Except as provided in subsection (b)**, a trust established under this chapter must be an irrevocable trust and may not be revoked or terminated by the authority or any other person, nor may it be amended or altered by the authority or any other person. However, the terms of the trust must provide that the trust terminates when no funds remain in the trust.

(b) Terms of the trust prohibiting any person from diminishing the principal of the trust do not apply if the general assembly enacts a statute appropriating any part of the principal or otherwise authorizing a reduction of the principal.

SECTION 22. IC 8-14-15-10, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The principal of the trust may ~~not only~~ be diminished during the term of the trust **in accordance with a statute enacted by the general assembly.**

(b) The income that accrues from investment of the trust shall be deposited in the trust.

(c) On March 15, 2011, March 15, 2016, and March 15 every five (5) years thereafter, the treasurer of state shall transfer all interest accruing to the trust to the major moves construction fund.

SECTION 23. IC 8-14-15-12, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) ~~This section applies~~ **Except as provided in subsection (b), the attorney general may petition a court to impose one (1) or more of the remedies described in IC 30-4-5.5-1** if a person does any of the following with respect to a trust created under this chapter:

(1) Commits a breach of the trust.

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(2) Violates the mandate of the trust or trust agreement.

(3) Violates a duty imposed by this chapter, the trust agreement, or IC 30-4.

(b) The attorney general may petition a court to impose one (1) or more of the remedies described in IC 30-4-5.5-1.

(b) Subsection (a) does not apply to the following:

(1) The general assembly.

(2) Any action of the trustee necessary to carry out the purposes of a statute enacted by the general assembly, including a statute to appropriate any part of the principal of the trust.

(3) Any action of the auditor of state, the budget agency, or any other agency, authority, board, commission, or employee of the state to carry out a statute to appropriate any part of the principal of the trust.

SECTION 24. IC 8-14-15-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. The general assembly finds the following:**

(1) That the world, United States, and Indiana economies have drastically changed since the general assembly enacted this chapter in 2006.

(2) That investment, employment, and state and local tax revenues have declined significantly and are expected to continue to decline.

(3) That improving the Indiana economy is the general assembly's first priority.

(4) That the principal of the next generation trust fund is a state resource that must be used to stimulate investment and employment in Indiana.

(5) That appropriating any part of the principal of the next generation trust fund is in the public interest.

(6) That the economic conditions of 2009 justify the amendments to this chapter to make the principal of the next generation trust fund available to stimulate the Indiana economy in the manner prescribed by the general assembly.

SECTION 25. IC 8-23-1-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. "Deputy commissioner" refers to the deputy commissioner of the department appointed under IC 8-23-2-2.5.**

SECTION 26. IC 8-23-1-33.5 IS ADDED TO THE INDIANA

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CODE AS A NEW SECTION TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: **Sec. 33.5. "Public transportation
agency" has the meaning set forth in IC 8-24-1-11.**

SECTION 27. IC 8-23-2-2.5 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: **Sec. 2.5. (a) The governor may appoint a deputy
commissioner for the department to assist the commissioner with
the implementation of the public transportation responsibilities of
the department.**

(b) The deputy commissioner:

**(1) shall be employed solely on the basis of ability, taking into
account the individual's qualifications to perform the duties
of the individual's position;**

(2) shall be employed regardless of political affiliation;

**(3) may not be appointed, promoted, reduced, removed, or in
any way favored or discriminated against because of the
individual's political affiliation, race, religion, color, sex,
national origin, or ancestry;**

**(4) is ineligible to hold, or be a candidate for, elected office (as
defined in IC 3-5-2-17) while employed by the department;**

(5) may not solicit or receive political contributions;

**(6) may not be required to make contributions for or
participate in political activities;**

(7) serves at the pleasure of the governor; and

**(8) is entitled to receive compensation set by the budget
agency.**

(c) The deputy commissioner shall do the following:

**(1) Work with the public transportation agencies to develop
a comprehensive long range plan that will meet present and
future public transit needs.**

**(2) Work with the public transportation agencies to create a
reliable, accessible, and cost effective service through the
territory of the public transportation agencies.**

**(3) Develop and maintain effective communications between
the public transportation agencies and the department.**

SECTION 28. IC 8-23-2-5, AS AMENDED BY P.L.35-2005,
SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
UPON PASSAGE]: **Sec. 5. (a) The department, through the
commissioner or the commissioner's designee, shall:**

(1) develop, continuously update, and implement:

(A) long range comprehensive transportation plans;

(B) work programs; and

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- 1 (C) budgets;
- 2 to assure the orderly development and maintenance of an efficient
- 3 statewide system of transportation;
- 4 (2) implement the policies, plans, and work programs adopted by
- 5 the department;
- 6 (3) organize by creating, merging, or abolishing divisions;
- 7 (4) evaluate and utilize whenever possible improved
- 8 transportation facility maintenance and construction techniques;
- 9 (5) carry out public transportation responsibilities, including:
- 10 (A) developing and recommending public transportation
- 11 policies, plans, and work programs;
- 12 (B) providing technical assistance and guidance in the area of
- 13 public transportation to **public transportation agencies and**
- 14 **other** political subdivisions; ~~with public transportation~~
- 15 ~~responsibilities;~~
- 16 (C) developing work programs for the utilization of federal
- 17 mass transportation funds **and other federal funds available**
- 18 **for public transportation purposes;**
- 19 (D) furnishing data from surveys, plans, specifications, and
- 20 estimates required to qualify a state agency, **public**
- 21 **transportation agency**, or political subdivision for federal
- 22 mass transportation funds **or other federal funds available**
- 23 **for public transportation purposes;**
- 24 (E) conducting or participating in any public hearings to
- 25 qualify urbanized areas, **public transportation agencies, and**
- 26 **political subdivisions** for an allocation of federal mass
- 27 transportation funding **or other federal funds available for**
- 28 **public transportation purposes;**
- 29 (F) serving, upon designation of the governor, as the state
- 30 agency to receive and disburse any state or federal mass
- 31 transportation funds that are not directly allocated to an
- 32 urbanized area, **a public transportation agency, or a**
- 33 **political subdivision;**
- 34 (G) entering into agreements with **public transportation**
- 35 **agencies, political subdivisions**, other states, regional
- 36 agencies created in other states, and municipalities in other
- 37 states for the purpose of improving public transportation
- 38 service to the citizens; and
- 39 (H) developing and including in its own proposed
- 40 transportation plan a specialized transportation services plan
- 41 for the elderly and persons with disabilities;
- 42 (6) provide technical assistance to units of local government with

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road and street responsibilities;

(7) develop, undertake, and administer the program of research and extension required under IC 8-17-7;

(8) allow public testimony in accordance with section 17 of this chapter whenever the department holds a public hearing (as defined in section 17 of this chapter); and

(9) adopt rules under IC 4-22-2 to reasonably and cost effectively manage the right-of-way of the state highway system by establishing a formal procedure for highway improvement projects that involve the relocation of utility facilities by providing for an exchange of information among the department, utilities, and the department's highway construction contractors.

(b) Rules adopted under subsection (a)(9) shall not unreasonably affect the cost, or impair the safety or reliability, of a utility service.

(c) A civil action may be prosecuted by or against the department, a department highway construction contractor or a utility to recover costs and expenses directly resulting from willful violation of the rules. Nothing in this section or in subsection (a)(9) shall be construed as granting authority to the department to adopt rules establishing fines, assessments or other penalties for or against utilities or the department's highway construction contractors.

SECTION 29. IC 8-23-8-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 10. (a) As used in this section, "designated highway" refers to the highway designated as a limited access facility under subsection (b).**

(b) The department shall designate and do all acts necessary to establish the part of State Road 331 in St. Joseph County from the U.S. Highway 20 bypass to State Road 23 as a limited access facility. The designated highway shall be in operation as a limited access facility beginning not later than January 1, 2009.

(c) Neither the department nor any political subdivision may authorize any additional curb cuts or intersections after January 1, 2009, on the designated highway. The department shall limit intersections on the designated highway to the following locations:

- (1) U.S. Highway 20 bypass.**
- (2) Dragoon Trail.**
- (3) Twelfth Street (also known as Harrison Road).**
- (4) Indiana 933 (also known as Lincoln Way).**
- (5) Jefferson Boulevard.**
- (6) McKinley Highway.**
- (7) Day Road.**

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1 **(8) Cleveland Road.**

2 **(9) State Road 23.**

3 SECTION 30. IC 8-23-9-4.5 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 4.5. (a) As used in this
5 section, "qualified work release program" refers to:

6 (1) a work release program that is established by the department
7 of correction under IC 11-10-8 or IC 11-10-10; or

8 (2) a county work release program under IC 11-12-5.

9 (b) Notwithstanding IC 8-23-10, **but subject to IC 8-23-24.5**, the
10 commissioner may contract with a qualified work release program for
11 the maintenance of a highway right-of-way without taking competitive
12 bids. As used in this subsection, "highway right-of-way" includes only
13 the grass plats.

14 SECTION 31. IC 8-23-20-25, AS AMENDED BY P.L.66-2007,
15 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2009]: Sec. 25. (a) The department shall institute a permit
17 system to regulate the erection and maintenance of outdoor advertising
18 signs along:

19 (1) the interstate and primary system, as defined in 23 U.S.C.
20 131(t) on June 1, 1991; and

21 (2) any other highways where control of outdoor advertising signs
22 is required under 23 U.S.C. 131.

23 (b) Except as provided in subsections (c) and (g) and section 25.5(c)
24 of this chapter, a sign may not be erected, operated, used, or maintained
25 in areas described in subsection (a) unless the owner of the sign has
26 obtained a permit under this section.

27 (c) A permit is not required to erect, operate, use, or maintain the
28 following signs:

29 (1) Directional or official signs and notices.

30 (2) Signs advertising the sale or lease of the property on which the
31 sign is located.

32 (3) Signs that primarily indicate ~~(A)~~ the name of the business,
33 activity, or profession conducted, ~~(B)~~ the types of goods produced
34 or sold, or ~~(C)~~ the services rendered on:

35 **(A) the property on which the sign is located; or**

36 **(B) commonly owned nonadjacent property located within**
37 **five (5) miles of the sign, if the property on which the sign**
38 **is located is used in conjunction with, in furtherance of, or**
39 **in support of the commonly owned nonadjacent property.**

40 (d) Signs in existence on July 1, 1993, and subject to this section:

41 (1) must comply with the registration system described in
42 subsection (h); and

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(2) are subject to the permit requirement after the department has made the determination described in subsection (g).

(e) The department shall adopt rules under IC 4-22-2 to carry out this section. Rules adopted under this section may be no broader than necessary to implement 23 U.S.C. 131 and 23 CFR 750.

(f) In addition to the requirements of subsection (e), rules adopted under this section must provide the following:

(1) A list of all roadways subject to the permit requirement.

(2) A procedure to appeal adverse determinations of the department under IC 4-21.5, including provisions for judicial review under IC 4-21.5.

(3) A one-time fee of one hundred dollars (\$100) per structure must accompany the permit application. A permit fee may not be charged to a sign that is subject to and complies with the registration system described in subsection (h).

(4) That a permit may not be issued for a sign erected in an adjacent area after January 1, 1968, unless:

(A) the sign is erected in an area described in section 5 of this chapter; or

(B) the permit is a conditional permit issued under subdivision (6).

(5) That a permit may not be issued for a sign erected after June 30, 1976, outside of urban areas, beyond six hundred sixty (660) feet of the right-of-way, visible from the traveled way, and erected with the purpose of a message being read from the traveled way, unless:

(A) the sign is erected in an area described in section 5 of this chapter; or

(B) the permit is a conditional permit issued under subdivision (6).

(6) For the issuance of a conditional permit for a nonconforming sign that has not been acquired under section 10 of this chapter. A conditional permit issued under this subdivision may be revoked if the department subsequently acquires the sign.

(7) That the department is granted the right to enter the real property on which a sign for which a permit under this section has been applied for or issued to perform reasonable examinations and surveys necessary to administer the permit system.

(8) The department may revoke any permit when it is found that the permittee has provided false or misleading information and that such a finding may be cause to subsequently refuse to issue a permit.

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(9) Any other provisions necessary to:

(A) administer this section; or

(B) avoid sanctions under 23 U.S.C. 131.

(g) A sign that is subject to and complies with the registration system described in subsection (h) may not be declared unlawful until the later of the following:

(1) The department has made a determination of permit eligibility under this section.

(2) December 31, 1993.

(h) A separate application for registration must be submitted to the department for each structure defined in subsection (d) and must:

(1) be on a form furnished by the department;

(2) signed by the applicant or an individual authorized in writing to sign for the applicant;

(3) provide information concerning the size, shape, and nature of the advertising sign, display, or device;

(4) provide the sign's actual location with sufficient accuracy to enable the department to locate the sign; and

(5) include a one-time registration fee of twenty-five dollars (\$25).

(i) A sign that is not registered before January 1, 1994, is a public nuisance subject to section 26 of this chapter.

(j) Each registrant shall fasten to each advertising sign or device a label or marker provided by the department that must be plainly visible from the traveled way.

SECTION 32. IC 8-23-24-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. When consistent with public safety **and subject to IC 8-23-24.5**, the department shall plant trees along the rights-of-way of highways, streets, and roads for which responsibility is assigned to the department.

SECTION 33. IC 8-23-24.5 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 24.5. Planting Grasses and Other Plants for Energy Production or Livestock Feed

Sec. 1. The intent of this chapter is to encourage the use of highway rights-of-way owned by the state to promote the growth and harvesting of vegetation to be used as fuels and other energy products or as feed for livestock.

Sec. 2. As used in this chapter, "highway rights-of-way" refers to highway rights-of-way for which responsibility is assigned to the department.

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1 **Sec. 3. As used in this chapter, "vegetation" refers to grasses or**
 2 **other plants that:**

- 3 (1) are suitable for processing into fuels or other energy
 4 products; or
 5 (2) may be used to feed livestock.

6 **Sec. 4. (a) To the extent permitted by federal law and when**
 7 **consistent with public safety, the department may enter into leases**
 8 **with appropriate persons for the persons to plant, maintain, and**
 9 **harvest vegetation on the highway rights-of-way for use in**
 10 **production of energy or for use as feed for livestock.**

11 **(b) Before entering into a lease under this chapter, the**
 12 **department shall consult with the invasive species council**
 13 **established by IC 15-16-10-3 in order to obtain recommendations**
 14 **from the council concerning the appropriateness of the vegetation**
 15 **proposed to be planted under the terms of the lease.**

16 **Sec. 5. A lease under this chapter must provide for the**
 17 **following:**

- 18 (1) The lessee is responsible for planting, maintaining, and
 19 harvesting the vegetation at the lessee's cost.
 20 (2) The lessee becomes the owner of the vegetation when
 21 harvested.
 22 (3) The harvested vegetation must be used for the production
 23 of fuels or other energy products or as feed for livestock.
 24 (4) The lease must include limitations on the height of any
 25 vegetation that is grown.

26 **Sec. 6. A lease under this chapter may provide for the following:**

- 27 (1) Any term of the lease that the department considers best
 28 to implement the intent of this chapter, but not for more than
 29 four (4) years.
 30 (2) For the lease of parcels of sizes that the department
 31 considers the best to implement the intent of this chapter.
 32 (3) Any other provisions that the department considers useful
 33 to implement the intent of this chapter.

34 **Sec. 7. The department shall award a lease under this chapter**
 35 **to the responsive and responsible bidder who submits the highest**
 36 **bid for the particular lease.**

37 **Sec. 8. To the extent permitted by federal law, the department**
 38 **shall make the use of highway rights-of-way as provided in this**
 39 **chapter a priority over all other uses.**

40 **SECTION 34. IC 8-24 IS ADDED TO THE INDIANA CODE AS**
 41 **A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON**
 42 **PASSAGE]:**

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ARTICLE 24. REGIONAL TRANSPORTATION DISTRICTS

Chapter 1. Purpose; Definitions

Sec. 1. The purpose of this article is to provide a flexible means of planning, designing, acquiring, constructing, enlarging, improving, renovating, maintaining, equipping, financing, operating, and supporting public transportation systems that can be adapted to the unique circumstances existing in different parts of Indiana.

Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "Allocation area" means the part of an area to which an allocation provision of a declaratory resolution adopted under IC 8-24-14-1 refers for purposes of distribution and allocation of property taxes.

Sec. 4. "Base assessed value" means the sum of:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution; plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision; as adjusted by the department of local government finance under IC 8-24-14-5.

Sec. 5. "Board" refers to a regional transportation board established under IC 8-24-4 for a district.

Sec. 6. "Bonds" means, except as otherwise provided, bonds, notes, or other evidences of indebtedness issued by a district.

Sec. 7. "District" refers to a regional transportation district established under IC 8-24-2.

Sec. 8. "Executive director" refers to the executive director of the district.

Sec. 9. "Project" refers to an action taken to:

- (1) plan;**
- (2) design;**
- (3) acquire;**
- (4) construct;**
- (5) enlarge;**
- (6) improve;**
- (7) renovate;**

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1 (8) maintain;
 2 (9) equip; or
 3 (10) operate;
 4 a public transportation system.

5 Sec. 10. "Property taxes" refers to taxes imposed under IC 6-1.1
 6 on:

- 7 (1) real property; and
 8 (2) depreciable personal property that has a useful life in
 9 excess of eight (8) years, if the board adopts a resolution
 10 under IC 8-24-14-1 to include within the term property taxes
 11 imposed under IC 6-1.1 on depreciable personal property that
 12 has a useful life in excess of eight (8) years.

13 The board may, by resolution, determine the percentage of taxes
 14 imposed under IC 6-1.1 on all depreciable personal property that
 15 will be included within the definition of "property taxes".
 16 However, the percentage included must not exceed twenty-five
 17 percent (25%) of the taxes imposed under IC 6-1.1 on all
 18 depreciable personal property. The term does not include property
 19 taxes imposed for a fire protection district established under
 20 IC 36-8-11 or taxes imposed on the depreciable personal property
 21 of a street rail car company, a sleeping car company, or another
 22 rail car company that is subject to IC 6-1.1-8.

23 Sec. 11. "Public transportation agency" means a county, city, or
 24 town, or any other entity that operates or otherwise carries out a
 25 project for a public transportation system in Indiana. The term
 26 includes the following:

- 27 (1) A commuter transportation district established under
 28 IC 8-5-15.
 29 (2) An automated transit district established under IC 8-9.5-7.
 30 (3) Another district.
 31 (4) The northwest Indiana regional development authority
 32 established under IC 36-7.5.
 33 (5) A regional development authority established under
 34 IC 36-7.6.
 35 (6) A regional transportation authority established under
 36 IC 36-9-3-2.
 37 (7) A regional bus authority under IC 36-9-3-2(c).
 38 (8) A public transportation corporation established under
 39 IC 36-9-4.

40 Sec. 12. "Public transportation system" means any common
 41 carrier of passengers for hire.

42 Chapter 2. Establishment

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1 **Sec. 1. The fiscal body of a county may, by resolution, establish**
 2 **a regional transportation district. Two (2) or more counties may**
 3 **jointly establish a district by adopting identical resolutions. A**
 4 **district may be expanded to include one (1) or more additional**
 5 **counties if resolutions approving the expansion are adopted by the**
 6 **fiscal bodies of:**

- 7 **(1) each of the counties to be added to the district; and**
 8 **(2) a majority of the counties in the district.**

9 **Sec. 2. (a) A county that participates in a district must be a**
 10 **member of the district for at least ten (10) years after the date the**
 11 **county becomes a member.**

12 **(b) At least twelve (12) months and not more than eighteen (18)**
 13 **months before the end of a ten (10) year period, the fiscal body of**
 14 **a county participating in the district must adopt a resolution that:**

- 15 **(1) commits the county to an additional ten (10) years as a**
 16 **member of the district, beginning at the end of the current ten**
 17 **(10) year period; or**
 18 **(2) withdraws the county from membership in the district not**
 19 **earlier than the end of the current ten (10) year period.**

20 **(c) The fiscal body of a county that participates in the district**
 21 **must adopt a resolution under subsection (b) during each ten (10)**
 22 **year period in which the county is a member of the board.**

23 **(d) A county may withdraw from a district as provided in this**
 24 **section only with the approval of the board.**

25 **(e) If at the end of a ten (10) year period a county withdraws**
 26 **from the district under this section:**

- 27 **(1) the terms of members of the board from that county and**
 28 **any city in that county are terminated upon the effective date**
 29 **of the withdrawal of the county; and**
 30 **(2) the county and each city in the county continue to be liable**
 31 **to the district for the amounts that would have otherwise been**
 32 **due from the county and each city in the county for any:**

33 **(A) unpaid transfers to the district that became due before**
 34 **the withdrawal of the county or city from the district is**
 35 **effective; and**

36 **(B) amounts due under any bonds issued or lease rental**
 37 **agreements entered into before the withdrawal of the**
 38 **county from the district is effective.**

39 **Sec. 3. If an existing public transportation agency operates**
 40 **within the boundaries of a district, the legislative body that**
 41 **established the public transportation agency may adopt a**
 42 **resolution to shift any of the public transportation powers of the**

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public transportation agency to the district.

Sec. 4. A public transportation agency may merge with a district on the terms jointly agreed to by the governing body of the district and the public transportation agency. However, the merger of two (2) or more districts must comply with section 1 of this chapter. A merger under this section does not transfer to the district any powers that are not public transportation powers.

Chapter 3. Status

Sec. 1. A district is a body corporate and politic. A district is separate from the state and any other political subdivision, but the exercise by the district of its powers is an essential governmental function.

Sec. 2. All the incorporated and unincorporated area in a county that becomes a member of a district is included in the district.

Sec. 3. A pledge or mortgage of a district does not create an obligation of the state or a political subdivision within the meaning of the Constitution of the State of Indiana or any statute.

Sec. 4. All:

- (1) property owned by a district;
- (2) revenue of a district; and
- (3) bonds issued by a district, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

Sec. 5. All securities issued under this article are exempt from the registration requirements of IC 23-19 and other securities registration statutes.

Sec. 6. (a) This section does not apply to interurban or interstate public transportation service.

(b) Service provided by the district within the territory of the district is exempt from regulation by the department of state revenue under IC 8-2.1. This exemption applies to transportation services provided by the district directly or by grants or purchase of service agreements.

(c) Service provided by the district by contract or service agreements outside the territory of the district is subject to regulation by the department of state revenue under IC 8-2.1.

(d) The department of state revenue shall hear appeals

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concerning any regulatory action of the district concerning service and rates and, after making a finding based on the requirements of IC 8-2.1, issue an appropriate order. Judicial review of the commission decision may be obtained in the manner prescribed by IC 4-21.5-5.

Chapter 4. Board

Sec. 1. The power to govern the district is vested in a regional transportation board.

Sec. 2. The board is composed of the following members:

(1) One (1) member from the fiscal body for each participating county, appointed by the president of the county fiscal body.

(2) One (1) member from the county executive for each participating county, appointed by the president of the county executive board.

(3) One (1) member from the fiscal body for each city in a participating county (other than a city in a county with a consolidated city), appointed by the president of the fiscal body of the city.

(4) One (1) member of a labor organization representing employees of the district who provide public transportation services within the geographic jurisdiction of the district. The labor organization shall appoint the member. If more than one (1) labor organization represents the employees of the district, each organization shall submit one (1) name to the governor, and the governor shall appoint the member from the list of names submitted by the organizations.

Sec. 3. A member of a board must be a resident of the unit that appointed the member.

Sec. 4. A member of a board serves at the pleasure of the appointing authority.

Sec. 5. If a participating unit fails to make an appointment to the board within sixty (60) days after the participating unit becomes a member of the district or within sixty (60) days after the position becomes vacant, the appointment shall be made by the governor.

Sec. 6. A member of a board is not entitled to receive compensation for performance of the member's duties. However, a member of the board is entitled to a per diem from the district for the member's participation in board meetings. The amount of the per diem is equal to the amount of the per diem provided under IC 4-10-11-2.1(b).

Sec. 7. A majority of the members appointed to a board

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constitutes a quorum for a meeting.

Sec. 8. The affirmative votes of at least a majority of the appointed members of a board are necessary to authorize any action of the district.

Sec. 9. A board shall elect a chair of the board and any other officers that the board determines appropriate.

Sec. 10. A board shall meet at least quarterly.

Sec. 11. The chair of a board or any two (2) members of the board may call a meeting of the board. The mayor of the city with the largest population in the district shall call the initial meeting of the board for a date that is not more than sixty (60) days after the board is initially established.

Sec. 12. The board may adopt the bylaws and rules that the board considers necessary for the proper conduct of the board's duties and the safeguarding of the district's funds and property.

Chapter 5. General Powers

Sec. 1. The district shall exercise the powers granted to the district by this article to carry out the purposes of the district.

Sec. 2. The district may sue and be sued in the name of the district.

Sec. 3. The district may determine matters of policy regarding internal organization and operating procedures not specifically provided for by law.

Sec. 4. The district may employ the personnel necessary to carry out the duties, functions, and powers of the district.

Sec. 5. The district may fix the compensation of the various officers and employees of the district, within the limitations of the total personal services budget.

Sec. 6. The district may adopt rules governing the duties of its officers, employees, and personnel, and the internal management of the affairs of the district.

Sec. 7. The district may protect all property owned or managed by the district and procure insurance against any losses in connection with its property, operations, or assets in amounts and from insurers as it considers desirable.

Sec. 8. Subject to this article, the district may borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the district's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by the affected statutes.

Sec. 9. The district may acquire real, personal, or mixed property by deed, purchase, or lease and dispose of it for use in

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1 connection with or for the purposes of the district, including
 2 supplies, materials, and equipment to carry out the duties and
 3 functions of the district.

4 Sec. 10. The district may receive gifts, donations, bequests, and
 5 public trusts, agree to conditions and terms accompanying them,
 6 and bind the district to carry them out.

7 Sec. 11. (a) The district may receive federal or state aid and
 8 administer that aid.

9 (b) The district may comply with federal statutes and rules
 10 concerning the expenditure of federal money for public
 11 transportation systems. The board may apply to state and federal
 12 agencies for grants for public transportation development, make
 13 or execute representations, assurances, and contracts, enter into
 14 covenants and agreements with any state or federal agency relative
 15 to public transportation systems, and comply with federal and state
 16 statutes and rules concerning the acquisition, development,
 17 operation, and administration of public transportation systems.

18 (c) The district may use money received by the district that is
 19 not pledged or restricted for another purpose to provide a local
 20 match required for the receipt of any federal funds.

21 Sec. 12. The district may adopt a schedule of reasonable charges
 22 and rents and collect them from all users of facilities and services
 23 within the jurisdiction of the district.

24 Sec. 13. The district may purchase public transportation
 25 services from public or private transportation agencies upon the
 26 terms and conditions set forth in purchase of service agreements
 27 between the district and the transportation agencies.

28 Sec. 14. The district may acquire, establish, construct, renovate,
 29 improve, equip, operate, maintain, finance, subsidize, lease, and
 30 regulate public transportation systems serving the district.

31 Sec. 15. The district may make, execute, and enforce contracts
 32 and all other instruments necessary, convenient, or desirable for
 33 the purposes of the district or pertaining to:

34 (1) a purchase, acquisition, or sale of securities or other
 35 investments related to a project; or

36 (2) the performance of the district's duties and execution of
 37 any of the districts's powers;

38 including public-private agreements (as defined in IC 5-23-2-13).

39 Sec. 16. The district may enter into agreements with
 40 government agencies, political subdivisions, private transportation
 41 companies, railroads, and other persons providing for:

42 (1) construction, improvement, renovation, operation,

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1 maintenance, and use by the other party of any public
 2 transportation system and equipment held or later acquired
 3 by the district; and

4 (2) acquisition of any public transportation system and
 5 equipment of another party if all or part of the operations of
 6 that party take place within the jurisdiction of the district.

7 Sec. 17. The district may lease to others for development or
 8 operation all or any part of the property of the district on the
 9 terms and conditions as the board considers advisable.

10 Sec. 18. The district may invest money not immediately needed
 11 for a project as provided in a resolution, agreement, or trust
 12 agreement of the board.

13 Sec. 19. A district may enter into an agreement with another
 14 district or any other entity to:

15 (1) jointly equip, own, lease, and finance projects and
 16 facilities; or

17 (2) otherwise carry out the purposes of the district;
 18 in any location.

19 Sec. 20. The district may rent or lease any real property,
 20 including air rights above real property owned or leased by a
 21 transportation system, for transportation or other purposes, with
 22 the revenues from those rentals to accrue to the district and to be
 23 used exclusively for the purposes of this article.

24 Sec. 21. The district may sell, lease, or otherwise contract for
 25 advertising in or on the facilities of the district.

26 Sec. 22. The district may administer any rail services or other
 27 use of rail rights-of-way that may be the responsibility of state or
 28 local government under the Federal Regional Rail Reorganization
 29 Act of 1973, as amended (45 U.S.C. Sections 701 through 794).

30 Sec. 23. The district may determine the level and kind of public
 31 transportation services to be provided by the district.

32 Sec. 24. The district may make grants and loans to and purchase
 33 securities of any public transportation agency to carry out the
 34 public transportation purposes of the district.

35 Sec. 25. The district may do all other acts necessary or
 36 reasonably incident to carrying out the purposes of this article.

37 Chapter 6. Administration

38 Sec. 1. The board shall adopt an annual budget for the district.

39 Sec. 2. The district may establish the funds and accounts that
 40 the district determines necessary. The district shall account for
 41 revenues as required to comply with the requirements specified in
 42 any agreement with a bondholder or other agreement.

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1 **Sec. 3. The district is subject to audit under IC 5-11-1.**

2 **Sec. 4. A district shall before April 1 of each year issue a report**
 3 **to the legislative council, the budget committee, and the governor**
 4 **concerning the operations and activities of the district during the**
 5 **preceding calendar year. The report to the legislative council must**
 6 **be in an electronic format under IC 5-14-6.**

7 **Sec. 5. The board shall appoint an executive director to manage**
 8 **the district.**

9 **Sec. 6. The board may establish the advisory committees that**
 10 **the board determines to be advisable.**

11 **Sec. 7. All employees of the district:**

12 (1) shall be employed solely on the basis of ability, taking into
 13 account their qualifications to perform the duties of their
 14 positions;

15 (2) shall be employed regardless of political affiliation;

16 (3) may not be appointed, promoted, reduced, removed, or in
 17 any way favored or discriminated against because of their
 18 political affiliation, race, religion, color, sex, national origin,
 19 or ancestry;

20 (4) are ineligible to hold, or be a candidate for, elected office
 21 (as defined in IC 3-5-2-17) while employed by the district;

22 (5) may not solicit or receive political contributions;

23 (6) may not be required to make contributions for or
 24 participate in political activities;

25 (7) shall be employed on a six (6) month probationary period,
 26 with a written evaluation prepared after five (5) months of
 27 service by their immediate supervisor for the executive
 28 director to determine if employment should continue beyond
 29 the probationary period; and

30 (8) shall be evaluated annually in writing by their immediate
 31 supervisor to advise the executive director as to whether the
 32 employees should remain in their positions.

33 **Chapter 7. Procurement**

34 **Sec. 1. A district shall comply with IC 5-16-7 (common**
 35 **construction wage), IC 5-22 (public purchasing), IC 36-1-12 (public**
 36 **work projects), and any applicable federal bidding statutes and**
 37 **regulations.**

38 **Sec. 2. An entity that receives a loan, a grant, or other financial**
 39 **assistance from a district or enters into a lease with a district must**
 40 **comply with applicable federal, state, and local public purchasing**
 41 **and bidding laws and regulations. However, a purchasing agency**
 42 **(as defined in IC 5-22-2-25) of a political subdivision may:**

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1 (1) assign or sell a lease for property to a district; or
 2 (2) enter into a lease for property with a district;
 3 at any price and under any other terms and conditions as may be
 4 determined by the entity and the district. However, before making
 5 an assignment or a sale of a lease or entering into a lease under this
 6 section that would otherwise be subject to IC 5-22, the political
 7 subdivision or its purchasing agent must obtain or cause to be
 8 obtained a purchase price for the property to be subject to the
 9 lease from the lowest responsible and responsive bidder in
 10 accordance with the requirements for the purchase of supplies
 11 under IC 5-22.

12 Sec. 3. With respect to projects undertaken by a district, the
 13 district shall set a goal for participation by minority business
 14 enterprises and women's business enterprises. The goals must be
 15 consistent with:

- 16 (1) the participation goals established by the counties and
- 17 municipalities that are members of the district; and
- 18 (2) the goals of delivering the project on time and within the
- 19 budgeted amount and, insofar as possible, using Indiana
- 20 businesses for employees, goods, and services.

21 Sec. 4. If a district is unable to agree with the owners, lessees, or
 22 occupants of any real property selected for the purposes of this
 23 article, the district may proceed under IC 32-24-1 to procure the
 24 condemnation of the property. The district may not institute a
 25 proceeding until it has adopted a resolution that:

- 26 (1) describes the real property sought to be acquired and the
- 27 public purposes for which the real property is to be used;
- 28 (2) declares that the public interest and necessity require the
- 29 acquisition by the district of the property involved; and
- 30 (3) sets out any other facts that the district considers
- 31 necessary or pertinent.

32 The resolution is conclusive evidence of the public necessity of the
 33 proposed acquisition.

34 Chapter 8. Planning

35 Sec. 1. After reviewing the transportation plans of the Indiana
 36 department of transportation and regional and other planning
 37 agencies, a district shall develop, continuously update, and
 38 implement long range comprehensive transportation plans to
 39 ensure the orderly development and maintenance of an efficient
 40 system of public transportation in the district.

41 Sec. 2. A district shall prepare a comprehensive strategic
 42 development plan that will meet present and future public transit

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needs and that includes detailed information concerning the following:

(1) The proposed projects to be undertaken or financed by the district.

(2) The following information for each project included under subdivision (1):

(A) Time line and budget.

(B) The return on investment.

(C) The projected or expected need for an ongoing subsidy.

(D) Any projected or expected federal matching funds.

Sec. 3. The district shall, not later than January 1 of the second year following the year in which the district is established, submit the comprehensive strategic development plan for review by the budget committee.

Sec. 4. The district may enter into agreements with other persons to participate in transportation planning activities.

Chapter 9. Acquisition and Construction of Public Transportation Facilities

Sec. 1. The district may:

(1) construct or acquire any public transportation facility for use by the district or any transportation agency; and

(2) acquire transportation facilities from any transportation agency, including:

(A) reserve funds;

(B) employees' pension or retirement funds;

(C) special funds;

(D) franchises;

(E) licenses;

(F) patents;

(G) permits; and

(H) papers and records of the agency.

In making acquisitions from a transportation agency, the district may assume the obligations of the agency regarding its property or public transportation operations.

Sec. 2. The district may acquire, improve, maintain, lease, and rent facilities, including air rights, that are within one hundred (100) yards of a terminal, station, or other facility of the district. If these facilities generate revenues that exceed their cost to the district, the district must use the excess revenues to improve transportation services or reduce fares for the public.

Chapter 10. Operation of Public Transportation Facilities

Sec. 1. The district may provide public transportation service by

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operating public transportation facilities only if the board finds that no public or private transportation agency or corporation is willing or able to provide public transportation service.

Sec. 2. The district may enter into operating agreements with any private or public person to operate transportation facilities on behalf of the district only after the board has made an affirmative effort to seek out and encourage private owners and operators to provide the needed public transportation service.

Sec. 3. Whenever the district provides any public transportation service by operating public transportation facilities, it shall establish the level and nature of fares or charges to be made for public transportation services and the nature and standards of public transportation service to be provided within the jurisdiction of the district.

Sec. 4. The board shall, to the extent it considers feasible, adopt uniform standards for the making of grants and purchase of service agreements. These grant contracts or purchase of service agreements may be for the number of years or duration agreed to by the district and the transportation agency.

Sec. 5. If the district provides grants for operating expenses or participates in any purchase of service agreement, the purchase of service agreement or grant contract must state the level and nature of fares or charges to be made for public transportation services and the nature and standards of public transportation to be so provided. In addition, any purchase of service agreements or grant contracts must provide, among other matters, for:

- (1) the terms or cost of transfers or interconnections between different public transportation agencies;
- (2) schedules or routes of transportation service;
- (3) changes that may be made in transportation service;
- (4) the nature and condition of the facilities used in providing service;
- (5) the manner of collection and disposition of fares or charges;
- (6) the records and reports to be kept and made concerning transportation service; and
- (7) interchangeable tickets or other coordinated or uniform methods of collection of charges.

The district shall also undertake programs to promote use of public transportation and to provide ticket sales and passenger information.

Chapter 11. Bonds

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1 **Sec. 1. (a) A district may issue bonds to obtain money to pay the**
 2 **cost of:**

3 **(1) acquiring real or personal property, including existing**
 4 **capital improvements;**

5 **(2) acquiring, constructing, improving, reconstructing, or**
 6 **renovating one (1) or more projects; or**

7 **(3) funding or refunding bonds or other evidences of**
 8 **indebtedness issued under this article, IC 8-5-15, IC 8-9.5-7,**
 9 **IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior**
 10 **law.**

11 **(b) The bonds are payable solely from:**

12 **(1) the lease rentals from the lease of the projects for which**
 13 **the bonds were issued, insurance proceeds, and any other**
 14 **funds pledged or available; and**

15 **(2) to the extent designated in the agreements for the bonds,**
 16 **revenue received by the district and amounts deposited in a**
 17 **district fund.**

18 **(c) The bonds must be authorized by a resolution of the board**
 19 **of the district that issues the bonds.**

20 **(d) The terms and form of the bonds must either be set out in**
 21 **the resolution or in a form of trust indenture approved by the**
 22 **resolution.**

23 **(e) The bonds must mature within forty (40) years.**

24 **(f) A board may sell the bonds only:**

25 **(1) to the Indiana bond bank established by IC 5-1.5-2-1 upon**
 26 **the terms determined by the board and the Indiana bond**
 27 **bank;**

28 **(2) to the Indiana finance authority created by IC 4-4-11-4**
 29 **upon the terms determined by the development board and the**
 30 **Indiana finance authority; or**

31 **(3) in the manner and for the price as the board may**
 32 **determine to be in the best interest of the district, either at**
 33 **public sale under IC 5-1-11 or at private sale.**

34 **(g) All money received from any bonds issued under this article**
 35 **shall be applied solely to the payment of the cost of acquiring,**
 36 **constructing, improving, reconstructing, or renovating one (1) or**
 37 **more projects, or the cost of refunding or refinancing outstanding**
 38 **bonds, for which the bonds are issued. The cost may include:**

39 **(1) planning and development of equipment or a facility and**
 40 **all buildings, facilities, structures, equipment, and**
 41 **improvements related to the facility;**

42 **(2) acquisition of a site and clearing and preparing the site for**

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1 construction;

2 (3) equipment, facilities, structures, and improvements that
3 are necessary or desirable to make the project suitable for use
4 and operations;

5 (4) architectural, engineering, consultant, and attorney's fees;

6 (5) incidental expenses in connection with the issuance and
7 sale of bonds;

8 (6) reserves for principal and interest;

9 (7) interest during construction;

10 (8) financial advisory fees;

11 (9) insurance during construction;

12 (10) municipal bond insurance, debt service reserve
13 insurance, letters of credit, or other credit enhancement; and

14 (11) in the case of refunding or refinancing, payment of the
15 principal of, redemption premiums (if any) for, and interest
16 on the bonds being refunded or refinanced.

17 Sec. 2. This article contains full and complete authority for the
18 issuance of bonds. No law, procedure, proceedings, publications,
19 notices, consents, approvals, orders, or acts by a development
20 board or any other officer, department, agency, or instrumentality
21 of the state or of any political subdivision is required to issue any
22 bonds, except as prescribed in this article.

23 Sec. 3. (a) A district may secure bonds issued under this article
24 by a trust indenture between the district and a corporate trustee,
25 which may be any trust company or national or state bank in
26 Indiana that has trust powers.

27 (b) The trust indenture may:

28 (1) pledge or assign revenue received by the district, amounts
29 deposited in a district fund, and lease rentals, receipts, and
30 income from leased projects, but may not mortgage land or
31 projects;

32 (2) contain reasonable and proper provisions for protecting
33 and enforcing the rights and remedies of the bondholders,
34 including covenants setting forth the duties of the district and
35 board;

36 (3) set forth the rights and remedies of bondholders and
37 trustees; and

38 (4) restrict the individual right of action of bondholders.

39 (c) Any pledge or assignment made by the district under this
40 section is valid and binding in accordance with IC 5-1-14-4 from
41 the time that the pledge or assignment is made, against all persons
42 whether they have notice of the lien. Any trust indenture by which

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a pledge is created or an assignment made need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

Sec. 4. (a) Bonds issued under IC 8-5-15, IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law may be refunded as provided in this section.

(b) A public transportation agency may:

(1) lease all or a part of land or a project or projects to a district, which may be at a nominal lease rental with a lease back to the public transportation agency, conditioned upon the district assuming bonds issued under IC 8-5-15, IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law and issuing its bonds to refund those bonds; and

(2) sell all or a part of land or a project or projects to a district for a price sufficient to provide for the refunding of those bonds and lease back the land or project or projects from the district.

Sec. 5. Bonds issued under this article are legal investments for private trust funds and the funds of banks, trust companies, insurance companies, building and loan associations, credit unions, savings banks, private banks, loan and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under Indiana law.

Sec. 6. An action to contest the validity of bonds to be issued under this article may not be brought after the time limitations set forth in IC 5-1-14-13.

Sec. 7. The general assembly covenants that it will not:

(1) repeal or amend this article in a manner that would adversely affect owners of outstanding bonds, or the payment of lease rentals, secured by the amounts pledged under this article; or

(2) in any way impair the rights of owners of bonds of a district, or the owners of bonds secured by lease rentals or by a pledge of revenues under this article.

Chapter 12. Leases and Agreements With Public Transportation Agencies

Sec. 1. (a) Before a lease may be entered into by a public transportation agency under this article, the public transportation agency must find that the lease rental provided for is fair and

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reasonable.

(b) A lease of land or a project from a district to a public transportation agency:

(1) may not have a term exceeding forty (40) years;

(2) may not require payment of lease rentals for a newly constructed project or for improvements to an existing project until the project or improvements to the project have been completed and are ready for occupancy or use;

(3) may contain provisions:

(A) allowing the public transportation agency to continue to operate an existing project until completion of the acquisition, improvements, reconstruction, or renovation of that project or any other project; and

(B) requiring payment of lease rentals for land, for an existing project being used, reconstructed, or renovated, or for any other existing project;

(4) may contain an option to renew the lease for the same or a shorter term on the conditions provided in the lease;

(5) must contain an option for the public transportation agency to purchase the project upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the project, including indebtedness incurred for the refunding of that indebtedness;

(6) may be entered into before acquisition or construction of a project;

(7) may provide that the public transportation agency shall agree to:

(A) pay any taxes and assessments on the project;

(B) maintain insurance on the project for the benefit of the district;

(C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and

(D) pay a deposit or series of deposits to the district from any funds available to the public transportation agency before the commencement of the lease to secure the performance of the public transportation agency's obligations under the lease; and

(8) must provide that the lease rental payments by the public transportation agency shall be made from the district and may provide that the lease rental payments by the public transportation agency shall be made from:

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- (A) net revenues of the project;
- (B) any other funds available to the public transportation agency; or
- (C) both sources described in clauses (A) and (B).

Sec. 2. This article contains full and complete authority for leases between a district and a public transportation agency. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by a district or the public transportation agency or any other officer, department, agency, or instrumentality of the state or any political subdivision is required to enter into any lease, except as prescribed in this article.

Sec. 3. If a lease provides for a project or improvements to a project to be constructed by a district, the plans and specifications shall be submitted to and approved by all agencies designated by law to pass on plans and specifications for public buildings.

Sec. 4. A district and a public transportation agency may enter into common wall (party wall) agreements or other agreements concerning easements or licenses. These agreements shall be recorded with the recorder of the county in which the project is located.

Sec. 5. (a) A public transportation agency may lease for a nominal lease rental, or sell to a district, one (1) or more projects or parts of a project or land on which a project is located or is to be constructed.

(b) Any lease of all or a part of a project by a public transportation agency to a district must be for a term equal to the term of the lease of that project back to the public transportation agency.

(c) A public transportation agency may sell property to a district for the amount the eligible political subdivision determines to be in the best interest of the public transportation agency. The district may pay that amount from the proceeds of bonds of the district.

Sec. 6. If a public transportation agency exercises its option to purchase leased property, the eligible political subdivision may issue its bonds as authorized by statute.

Chapter 13. Accounts; Revenues

Sec. 1. Each public transportation agency, participating county, and city or town in a participating county shall transfer to the district the amount determined by the agreements approved by the board and the fiscal body of the public transportation agency, participating county, or city or town in a participating county on

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the schedule specified in the agreements.

Sec. 2. The amount transferred under section 1 of this chapter may come from any unrestricted source of revenue available to the public transportation agency, participating county, or city or town in a participating county, including any revenue received by the public transportation agency from a tax imposed under IC 6-3.5.

Sec. 3. The district may use the following revenues only for the operation of the district or a project:

- (1) Transfers under section 1 of this chapter.
- (2) Property taxes from an allocation area in a district.
- (3) A special property tax imposed under IC 8-24-14-7.
- (4) Revenue distributed to a district from a county economic development income tax imposed under IC 6-3.5-7-34.

Sec. 4. To provide revenue to a district during a year, the district may recommend and the county fiscal body of a county that is a member of the district may elect to provide revenue to the district part of the certified distribution that constitutes certified shares, if any, that the county is to receive during the same year under IC 6-3.5-1.1-10 or from part of the certified distribution, if any, that the county is to receive during that same year under IC 6-3.5-6-17. To make the election, the county fiscal body must adopt an ordinance before September 1 of the preceding year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to provide revenue to the district. If the ordinance is adopted, the county fiscal body immediately shall send a copy of the ordinance to the county auditor. Money distributed to the district under this section may be used only for the purposes of the district specified in an ordinance adopted by the fiscal body.

Chapter 14. Allocation Areas

Sec. 1. (a) Whenever the board finds that an allocation area in the district is likely to benefit from proximity to a public transportation system, the board shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

- (1) maps and plats showing:
 - (A) the boundaries of the allocation area that is likely to receive a benefit; and
 - (B) the location of the various parcels of property, streets, alleys, and other features affecting the benefits from a public transportation system, indicating any parcels of

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- 1 property to be excluded from an allocation area;
- 2 (2) lists of the owners of the various parcels of property
- 3 proposed to be benefited by establishment of an allocation
- 4 area or the amendment of the resolution or plan for an
- 5 existing allocation area;
- 6 (3) the location of any existing allocation area (as defined in
- 7 IC 6-1.1-21.2-3) relative to the proposed allocation area; and
- 8 (4) the costs of the project that will be funded by property
- 9 taxes allocated from the allocation area.
- 10 (c) This subsection applies to the initial establishment of an
- 11 allocation area. After completion of the data required by
- 12 subsection (b), the board shall adopt a resolution declaring that:
- 13 (1) the area will benefit from proximity to a public
- 14 transportation system;
- 15 (2) it will be of public utility and benefit to designate the
- 16 allocation area under this chapter to fund a project;
- 17 (3) the area is designated as an allocation area for purposes of
- 18 this chapter; and
- 19 (4) the proposed allocation area is not in an existing allocation
- 20 area (as defined in IC 6-1.1-21.2-3).
- 21 The resolution must state the general boundaries of the allocation
- 22 area and contain any provisions required by section 6 of this
- 23 chapter.
- 24 (d) This subsection applies to the amendment of the resolution
- 25 or plan for an existing allocation area. After completion of the data
- 26 required by subsection (b), the board shall adopt a resolution
- 27 declaring that:
- 28 (1) if the amendment enlarges the boundaries of the allocation
- 29 area, the existing allocation area does not generate sufficient
- 30 revenue to meet the financial obligations of the original
- 31 project;
- 32 (2) it will be of public utility and benefit to amend the
- 33 resolution or plan for the allocation area;
- 34 (3) the additional area is designated as part of the existing
- 35 allocation area for purposes of this chapter; and
- 36 (4) the proposed allocation area is not in an existing allocation
- 37 area (as defined in IC 6-1.1-21.2-3).
- 38 The resolution must state the general boundaries of the allocation
- 39 area, including any changes made to those boundaries by the
- 40 amendment, describe the activities that the district is permitted to
- 41 take under the amendment, with any designated exceptions, and
- 42 contain any provisions required by section 6 of this chapter.

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(e) For the purpose of adopting a resolution under subsection (c) or (d), it is sufficient to describe the boundaries of the allocation area by its location in relation to public ways or streams, or otherwise, as determined by the board. Property excepted from the application of a resolution may be described by street numbers or location.

(f) An allocation established under this section may not be located in any allocation area (as defined in IC 6-1.1-21.2-3) established before the action taken under this section.

Sec. 2. (a) After adopting a resolution under section 1 of this chapter, the board shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

(1) state that maps and plats have been prepared and can be inspected at the office of the district; and

(2) name a date, time, and place when the board will:

(A) receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project or other actions to be taken under the resolution; and

(B) determine the public utility and benefit of the proposed project or other actions.

All persons affected in any manner by the hearing, including all taxpayers of the special taxing district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the board by the notice given under this section.

(b) The board shall file the following information with each taxing unit that is wholly or partly located within the allocation area:

(1) A copy of the notice required by subsection (a).

(2) A statement disclosing the impact of the allocation area, including the following:

(A) The estimated economic benefits and costs incurred by the allocation area, as measured by increased employment and anticipated growth of real property assessed values.

(B) The anticipated impact on tax revenues of each taxing unit.

The board shall file the information required by this subsection with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the hearing.

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(c) At the hearing, which may be adjourned from time to time, the board shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the board shall take final action determining the public utility and benefit of the proposed project or other actions to be taken under the resolution, and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the board shall be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 3 of this chapter.

Sec. 3. (a) A person who filed a written remonstrance with the board under section 2 of this chapter and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the board and the person's remonstrance against that order, together with the person's bond conditioned to pay the costs of the person's appeal if the appeal is determined against the person. The only ground of remonstrance that the court may hear is whether the proposed project will be of public utility and benefit. The burden of proof is on the remonstrator.

(b) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances, and may confirm the final action of the board or sustain the remonstrances. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

Sec. 4. If no appeal is taken or if an appeal is taken but is unsuccessful, the board may proceed with the designation or expansion of the allocation area.

Sec. 5. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this section may not include the effect of property tax abatements under

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IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the allocation area than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

Sec. 6. (a) A resolution adopted under section 1 of this chapter shall include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted must include an allocation provision by the amendment of that resolution in accordance with the procedures required for its original adoption.

(b) A resolution or an amendment that establishes an allocation provision must specify an expiration date for the allocation provision. The expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established.

(c) The allocation provision may apply to all or part of the allocation area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds that exceed those described in subdivision (1) shall be allocated to the district and, when collected, paid into an allocation fund for that allocation area that may be used by the district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely or in any part from allocated tax proceeds which are incurred by the district for the purpose of financing or refinancing a project that benefits the allocation area.

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(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds issued by a public transportation agency to pay for a project that benefits the allocation area.

(D) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(E) Make payments on leases that benefit the allocation area.

(F) Reimburse the district or a public transportation agency for expenditures made by it for the organization of the district or a project that benefits the allocation area.

(3) Except as provided in subsection (g), before July 15 of each year, the board shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the board has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the board has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the board. The board may not authorize an

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allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under this article.

(d) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution are made; or

(2) the base assessed value.

(e) Property tax proceeds allocable to the district under subsection (c)(2) may, subject to subsection (c)(3), be irrevocably pledged by the district for payment as set forth in subsection (c)(2).

(f) Notwithstanding any other law, each assessor shall, upon petition of the board, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(g) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(h) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (c)(2) shall establish an allocation fund for the purposes specified in subsection (c)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (c)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (c)(2) for the year. The amount sufficient for purposes specified in subsection (c)(2) for the year shall be determined based on the pro rata portion of such

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current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (c)(2) shall establish a special zone fund and deposit all the property tax proceeds that exceed those described in subsection (c)(1) in the fund derived from property tax proceeds in excess of those described in subsection (c)(1) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (c)(2), except that where reference is made in subsection (c)(2) to the allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

Sec. 7. (a) A board may levy each year a special tax on all the property in an allocation area in the district, in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest on the bonds or lease rental payments under this article. The board shall cause the tax levied to be certified to the proper officers as other tax levies are certified, and to the auditor of the county in which the district is located, before the second day of October in each year. The tax shall be estimated and entered on the tax duplicate by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other state and county taxes are estimated, entered, collected, and enforced.

(b) As the tax is collected, it shall be accumulated in a separate fund to be known as the allocation area fund and shall be applied to the purposes for which money allocated to the district under section 6 of this chapter may be used. All accumulations of the fund before their use shall be deposited with the depository or depositories for other public funds of the unit in accordance with IC 5-13, unless they are invested under IC 5-13-9.

(c) The tax levies provided for in this section are reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to raise the amount that, with other amounts

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1 available, is sufficient to meet the payments under the lease
2 payable from the levy of taxes.

3 **Sec. 8. The state board of accounts and department of local**
4 **government finance shall adopt rules and prescribe forms and**
5 **procedures they consider expedient for the implementation of this**
6 **chapter.**

7 SECTION 35. IC 36-7-13.5-12 IS AMENDED TO READ AS
8 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) When
9 necessary to accomplish the purposes of the commission, the
10 commission may do the following:

11 (1) Conduct studies necessary for the performance of the
12 commission's duties.

13 (2) Publicize, advertise, and distribute reports on the
14 commission's purposes, objectives, and findings.

15 (3) Provide recommendations in matters related to the
16 commission's functions and objectives to the following:

17 (A) Political subdivisions that have territory within the
18 corridor.

19 (B) Other public and private agencies.

20 (4) When requested, act as a coordinating agency for programs
21 and activities of other public and private agencies that are related
22 to the commission's objectives.

23 (5) Receive grants and appropriations from the following:

24 (A) Federal, state, and local governments.

25 (B) Individuals.

26 (C) Foundations.

27 (D) Other organizations.

28 **(6) Subject to subsection (b), establish one (1) or more green**
29 **sustainability districts in the territory under the jurisdiction**
30 **of the commission.**

31 **(b) A green sustainability district established under subsection**
32 **(a)(6) must contain at least two hundred fifty (250) contiguous**
33 **acres.**

34 ~~(b)~~ (c) The commission may contract for staff services with:

35 (1) qualified agencies or individuals; or

36 (2) a **regional** planning commission established under IC 36-7-7.

37 SECTION 36. IC 36-9-4-29.4, AS AMENDED BY P.L.99-2007,
38 SECTION 223, IS AMENDED TO READ AS FOLLOWS
39 [EFFECTIVE UPON PASSAGE]: Sec. 29.4. (a) This section does not
40 apply to a public transportation corporation located in a county having
41 a consolidated city.

42 (b) A public transportation corporation may provide regularly

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1 scheduled passenger service to specifically designated locations outside
 2 the system's operational boundaries as described in IC 36-9-1-9 if all
 3 of the following conditions are met:

4 (1) The legislative body of the municipality approves any
 5 expansion of the service outside the municipality's corporate
 6 boundaries.

7 (2) The expanded service is reasonably required to do any of the
 8 following:

9 (A) Enhance employment opportunities in the new service area
 10 or the existing service area.

11 (B) Serve persons who are elderly, persons with a disability, or
 12 other persons who are in need of public transportation.

13 ~~(3) The rates or compensation for the expanded service are~~
 14 ~~sufficient, on a fully allocated cost basis, to prevent a property tax~~
 15 ~~increase in the taxing district solely as a result of the expanded~~
 16 ~~service.~~

17 ~~(4) (3)~~ Except as provided in subsection (e), the expanded service
 18 does not extend beyond the boundary of the county in which the
 19 corporation is located.

20 ~~(5) The corporation complies with sections 29.5 and 29.6 of this~~
 21 ~~chapter.~~

22 (c) Notwithstanding section 39 of this chapter, a public
 23 transportation corporation may provide demand responsive service
 24 outside of the system's operational boundaries as described in
 25 IC 36-9-1-9 if the conditions listed in subsection (b) are met.

26 (d) The board may contract with a private operator for the operation
 27 of an expanded service under this section.

28 (e) Subsection ~~(b)(4)~~ **(b)(3)** does not apply to a special purpose bus
 29 (as defined in IC 20-27-2-10) or a school bus (as defined in
 30 IC 20-27-2-8) that provides expanded service for a purpose permitted
 31 under IC 20-27-9.

32 SECTION 37. THE FOLLOWING ARE REPEALED [EFFECTIVE
 33 UPON PASSAGE]: IC 36-9-4-29.5; IC 36-9-4-29.6.

34 SECTION 38. [EFFECTIVE JULY 1, 2008 (RETROACTIVE)] **(a)**
 35 **The following definitions apply throughout this SECTION:**

36 **(1) "Phase 1 of the West Lake line" means a commuter**
 37 **transportation district project (as defined in IC 8-5-15-1) that**
 38 **extends passenger rail service by the Chicago, South Shore,**
 39 **and South Bend Railroad along a route to Lowell, Indiana.**

40 **(2) "Transportation entity" refers to the following, as**
 41 **appropriate:**

42 **(A) The Northern Indiana Commuter Transportation**

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District.

(B) The Central Indiana Regional Transportation Authority.

(C) The Indianapolis Public Transportation Corporation.

(b) There is appropriated to the Northern Indiana Commuter Transportation District fifteen million dollars (\$15,000,000) from the state general fund for its use in relocating rail lines to the west side of the airport in South Bend, Indiana, beginning July 1, 2008, and ending June 30, 2010.

(c) There is appropriated to the Northern Indiana Commuter Transportation District fifteen million dollars (\$15,000,000) from the state general fund for its use in conducting preliminary engineering and environmental studies and other activities necessary or appropriate to construct phase 1 of the West Lake line, beginning July 1, 2008, and ending June 30, 2010.

(d) There is appropriated to the Northern Indiana Commuter Transportation District five million dollars (\$5,000,000) from the state general fund for its use in making railroad track safety and efficiency improvements in Michigan City, Indiana, beginning July 1, 2008, and ending June 30, 2010.

(e) There is appropriated to the Central Indiana Regional Transportation Authority fifteen million dollars (\$15,000,000) from the state general fund for its use in advancing the proposed rail transit for the northeast corridor of central Indiana, beginning July 1, 2008, and ending June 30, 2010.

(f) There is appropriated to the Indianapolis Public Transportation Corporation three million dollars (\$3,000,000) from the state general fund for the purposes authorized under IC 36-9-4 for a public transportation corporation, beginning July 1, 2008, and ending June 30, 2010.

(g) The sums appropriated to the transportation entities by this SECTION are in addition to all other income and receipts of the transportation entities and shall not be considered in awarding grants to transportation entities under a law other than this SECTION. Notwithstanding IC 4-10-11, IC 4-12-1-14, or any other law, the amount of the appropriations under this SECTION shall be:

- (1) allotted for distribution to the transportation entities; and
- (2) distributed upon warrant issued by the auditor of state to the appropriate transportation entity;

as soon as practicable without further review or approval by any other state official or body. A transportation entity shall

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periodically file with the budget agency financial statements showing the uses of the amount distributed to the transportation entity under this SECTION on the schedule, in the form, and with the detail prescribed by the budget agency.

(h) Notwithstanding IC 4-9.1-1-7, IC 4-12-1-12, IC 4-12-1-14.1, IC 4-13-2-23, or any other law, an appropriation under this SECTION and the money appropriated by this SECTION are not subject to transfer, assignment, or reassignment for any use or purpose other than the uses and purposes specified in this SECTION.

(i) This SECTION expires January 1, 2011.

SECTION 39. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "district" refers to a green sustainability district referred to in IC 36-7-13.5-12, as amended by this act.

(b) The shoreline development commission established by IC 36-7-13.5-2 shall do the following:

(1) Develop a written report making recommendations concerning the following:

(A) The purposes, goals, powers, and duties of districts.

(B) The appropriate structure of leadership and administration of districts.

(C) An appropriate plan for financing the activities of districts, including the identification of potential revenue sources.

(D) Proposed legislation necessary to effectuate the commission's recommendations.

(2) Include in the report the current status of the following in established districts and potential districts:

(A) Utility infrastructure and service.

(B) Land use.

(C) Environmentally sound and energy efficient building.

(D) Neighborhood social sustainability programs and services.

(E) Public infrastructure.

(3) Submit the report before November 1, 2009, as follows:

(A) To the governor.

(B) To the legislative council in an electronic format under IC 5-14-6.

(c) This SECTION expires January 1, 2010.

SECTION 40. An emergency is declared for this act.

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COMMITTEE REPORT

Madam President: The Senate Committee on Natural Resources, to which was referred Senate Bill No. 374, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 14, after "products." insert "**The term does not include grasses or other plants that may be used to feed livestock.**".

Page 2, line 16, delete "shall" and insert "**may**".

Page 2, between lines 27 and 28, begin a new line block indented and insert:

"(4) The lease must include limitations on the height of any vegetation that is grown."

and when so amended that said bill do pass.

(Reference is to SB 374 as introduced.)

MISHLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

 SENATE MOTION

Madam President: I move that Senate Bill 374 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-20.5-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 11. **(a) Except as provided in subsection (b), "property" means real property or an interest in real property, including the following:**

- (1) Any ownership interest in real property.
- (2) A leasehold.
- (3) A right-of-way.
- (4) An easement, including a utility easement.

The term does not include personal property or an interest in personal property.

(b) For purposes of IC 4-20.5-22, "property" means any ownership interest in real property.

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SECTION 2. IC 4-20.5-22 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

Chapter 22. Planting Grasses and Other Plants for Energy Production

Sec. 1. This chapter does not apply to a lease under IC 8-23-24.5.

Sec. 2. The intent of this chapter is to encourage the use of property owned by the state to promote the growth and harvesting of vegetation to be used as fuels and other energy products.

Sec. 3. As used in this chapter, "agency " has the meaning set forth in IC 4-20.5-1-3. The term includes a state institution.

Sec. 4. As used in this chapter, "vegetation" refers to grasses or other plants that are suitable for processing into fuels or other energy products. The term does not include grasses or other plants that may be used to feed livestock.

Sec. 5. To the extent permitted by federal law and when consistent with public safety, an agency may enter into leases with appropriate persons for the persons to plant, maintain, and harvest vegetation on state property owned or maintained by the agency for use in production of energy.

Sec. 6. A lease under this chapter must provide for the following:

- (1) The lessee is responsible for planting, maintaining, and harvesting the vegetation at the lessee's cost.
- (2) The lessee becomes the owner of the vegetation when harvested.
- (3) The harvested vegetation must be used for the production of fuels or other energy products.
- (4) The lease must include limitations on the height of any vegetation that is grown.

Sec. 7. A lease under this chapter may provide for the following:

- (1) Any term of the lease that the agency considers best to implement the intent of this chapter, but not for more than four (4) years.
- (2) For the lease of parcels of sizes that the agency considers the best to implement the intent of this chapter.
- (3) Any other provisions that the agency considers useful to implement the intent of this chapter.

Sec. 8. The agency shall award a lease under this chapter to the responsive and responsible bidder who submits the highest bid for the particular lease.

SECTION 3. IC 5-22-21-1 IS AMENDED TO READ AS

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FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This chapter applies only to personal property owned by a governmental body that is a state agency.

(b) This chapter does not apply to the following:

(1) The sale of timber by the department of natural resources under IC 14-23-4.

(2) The satisfaction of a lien or judgment by a state agency under court proceedings.

(3) The disposition of unclaimed property under IC 32-34-1.

(4) The sale or harvesting of vegetation (as defined in IC 8-23-24.5-3) under IC 8-23-24.5.

(5) The sale or harvesting of vegetation (as defined in IC 4-20.5-22-4) under IC 4-20.5-22."

Renumber all SECTIONS consecutively.

(Reference is to SB 374 as printed February 17, 2009.)

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Interstate and International Cooperation, to which was referred Senate Bill 374, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-4-11-15.6, AS ADDED BY P.L.214-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15.6. In addition to the powers listed in section 15 of this chapter, the authority may:

(1) issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to acquire obligations issued by any entity authorized to acquire, finance, construct, or lease capital improvements under IC 5-1-17; ~~and~~

(2) issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to acquire any obligations issued by the northwest Indiana regional development authority established by IC 36-7.5-2-1; **and**

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(3) issue bonds under terms and conditions determined by the authority and use the proceeds of the bonds to acquire any obligations issued by a regional transportation district established under IC 8-24-2."

Page 1, line 17, after "Production" insert **"or Livestock Feed"**.

Page 2, line 4, delete "." and insert **"or as feed for livestock."**.

Page 2, delete lines 7 through 10, begin a new paragraph and insert:

"Sec. 4. As used in this chapter, "vegetation" refers to grasses or other plants that:

(1) are suitable for processing into fuels or other energy products; or

(2) may be used to feed livestock."

Page 2, line 11, after "Sec. 5." insert **"(a)"**.

Page 2, line 15, delete "." and insert **"or for use as feed for livestock."**.

Page 2, between lines 15 and 16, begin a new paragraph and insert:

"(b) Before entering into a lease under this chapter, an agency shall consult with the invasive species council established by IC 15-16-10-3 in order to obtain recommendations from the council concerning the appropriateness of the vegetation proposed to be planted under the terms of the lease."

Page 2, line 23, delete "." and insert **"or as feed for livestock."**.

Page 2, between lines 25 and 26, begin a new line block indented and insert:

"(5) The lessee may not plant vegetation to replace existing native forest communities."

Page 2, between lines 36 and 37, begin a new paragraph and insert:

"SECTION 4. IC 5-1.5-1-8, AS AMENDED BY P.L.232-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. "Qualified entity" means:

- (1) a political subdivision (as defined in IC 36-1-2-13);**
- (2) a state educational institution;**
- (3) a leasing body (as defined in IC 5-1-1-1(a));**
- (4) a not-for-profit utility (as defined in IC 8-1-2-125);**
- (5) any rural electric membership corporation organized under IC 8-1-13;**
- (6) any corporation that was organized in 1963 under Acts 1935, c. 157 and that engages in the generation and transmission of electric energy;**
- (7) any telephone cooperative corporation formed under IC 8-1-17;**
- (8) any commission, authority, or authorized body of any qualified**

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entity;

(9) any organization, association, or trust with members, participants, or beneficiaries that are all individually qualified entities;

(10) any commission, authority, or instrumentality of the state;

(11) any other participant (as defined in IC 13-11-2-151.1);

(12) a charter school established under IC 20-5.5 (before its repeal) or IC 20-24 that is not a qualified entity under IC 5-1.4-1-10;

(13) a volunteer fire department (as defined in IC 36-8-12-2); ~~or~~

(14) a development authority (as defined in IC 36-7.6-1-8); ~~or~~

(15) a regional transportation district established under IC 8-24-2.

SECTION 5. IC 5-11-10-1, AS AMENDED BY P.L.2-2007, SECTION 98, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) This section applies to the state and its political subdivisions. However, this section does not apply to the following:

(1) A state educational institution, including Ivy Tech Community College **of Indiana**.

(2) A municipality (as defined in IC 36-1-2-11).

(3) A county.

(4) An airport authority operating in a consolidated city.

(5) A capital improvements board of managers operating in a consolidated city.

(6) A board of directors of a public transportation corporation operating in a consolidated city.

(7) A municipal corporation organized under IC 16-22-8-6.

(8) A public library.

(9) A library services authority.

(10) A hospital organized under IC 16-22 or a hospital organized under IC 16-23.

(11) A school corporation (as defined in IC 36-1-2-17).

(12) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

(13) A municipally owned utility (as defined in IC 8-1-2-1).

(14) A board of an airport authority under IC 8-22-3.

(15) A conservancy district.

(16) A board of aviation commissioners under IC 8-22-2.

(17) A public transportation corporation under IC 36-9-4.

(18) A commuter transportation district under IC 8-5-15.

(19) A solid waste management district established under

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IC 13-21 or IC 13-9.5 (before its repeal).

(20) A county building authority under IC 36-9-13.

(21) A soil and water conservation district established under IC 14-32.

(22) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.

(23) A regional transportation district established under IC 8-24-2.

(b) No warrant or check shall be drawn by a disbursing officer in payment of any claim unless the same has been fully itemized and its correctness properly certified to by the claimant or some authorized person in the claimant's behalf, and filed and allowed as provided by law.

(c) The certificate provided for in subsection (b) is not required for:

- (1) claims rendered by a public utility for electric, gas, steam, water, or telephone services, the charges for which are regulated by a governmental body;
- (2) a warrant issued by the auditor of state under IC 4-13-2-7(b);
- (3) a check issued by a special disbursing officer under IC 4-13-2-20(g); or
- (4) a payment of fees under IC 36-7-11.2-49(b) or IC 36-7-11.3-43(b).

(d) The disbursing officer shall issue checks or warrants for all claims which meet all of the requirements of this section. The disbursing officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) for which funds are appropriated and available.

(e) The certificate provided for in subsection (b) must be in the following form:

I hereby certify that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

SECTION 6. IC 5-11-10-1.6, AS AMENDED BY P.L.169-2006, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. (a) As used in this section, "governmental entity" refers to any of the following:

- (1) A municipality (as defined in IC 36-1-2-11).
- (2) A school corporation (as defined in IC 36-1-2-17), including a school extracurricular account.
- (3) A county.
- (4) A regional water or sewer district organized under IC 13-26 or under IC 13-3-2 (before its repeal).

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- (5) A municipally owned utility that is subject to IC 8-1.5-3 or IC 8-1.5-4.
- (6) A board of an airport authority under IC 8-22-3.
- (7) A board of aviation commissioners under IC 8-22-2.
- (8) A conservancy district.
- (9) A public transportation corporation under IC 36-9-4.
- (10) A commuter transportation district under IC 8-5-15.
- (11) The state.
- (12) A solid waste management district established under IC 13-21 or IC 13-9.5 (before its repeal).
- (13) A levee authority established under IC 14-27-6.
- (14) A county building authority under IC 36-9-13.
- (15) A soil and water conservation district established under IC 14-32.
- (16) The northwestern Indiana regional planning commission established by IC 36-7-7.6-3.
- (17) A regional transportation district established under IC 8-24-2.**

(b) As used in this section, "claim" means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim.

This subsection does not prohibit a school corporation, with prior approval of the board having jurisdiction over allowance of payment of the claim, from making payment in advance of receipt of services as allowed by guidelines developed under IC 20-20-13-10. This subsection does not prohibit a municipality from making meal expense advances to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment, specifying the maximum amount that may be paid in advance, specifying the required invoices and other documentation that must be submitted by the municipal

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employee, and providing for reimbursement from the wages of the municipal employee if the municipal employee does not submit the required invoices and documentation.

(d) The fiscal officer of a governmental entity shall issue checks or warrants for claims by the governmental entity that meet all of the requirements of this section. The fiscal officer does not incur personal liability for disbursements:

- (1) processed in accordance with this section; and
- (2) for which funds are appropriated and available.

(e) The certification provided for in subsection (c)(4) must be on a form prescribed by the state board of accounts."

Page 3, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 8. IC 6-1.1-20-1.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.6. As used in this chapter, "property taxes" means a property tax rate or levy to pay debt service or to pay lease rentals, but does not include taxes allocated for an allocation area under IC 6-1.1-39-5, IC 8-22-3.5-9, **IC 8-24-14-6**, IC 36-7-14-39, IC 36-7-15.1-26, or IC 36-7-15.1-53.

SECTION 9. IC 6-1.1-21.2-3, AS AMENDED BY P.L.146-2008, SECTION 231, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "allocation area" refers to an area that is established under the authority of any of the following statutes and in which tax increment revenues are collected:

- (1) IC 6-1.1-39
- (2) IC 8-22-3.5
- IC 8-24-14**
- (3) IC 36-7-14
- (4) IC 36-7-14.5
- (5) IC 36-7-15.1
- (6) IC 36-7-30
- (7) IC 36-7-30.5

SECTION 10. IC 6-1.1-21.2-4, AS AMENDED BY P.L.146-2008, SECTION 232, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. As used in this chapter, "base assessed value" means the base assessed value as that term is defined or used in:

- (1) IC 6-1.1-39-5(h)
- (2) IC 8-22-3.5-9(a)
- (3) IC 8-22-3.5-9.5
- IC 8-24-1-4**
- IC 8-24-14-6**



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- ~~(4)~~ IC 36-7-14-39(a)
- ~~(5)~~ IC 36-7-14-39.2
- ~~(6)~~ IC 36-7-14-39.3(c)
- ~~(7)~~ IC 36-7-14-48
- ~~(8)~~ IC 36-7-14.5-12.5
- ~~(9)~~ IC 36-7-15.1-26(a)
- ~~(10)~~ IC 36-7-15.1-26.2(c)
- ~~(11)~~ IC 36-7-15.1-35(a)
- ~~(12)~~ IC 36-7-15.1-35.5
- ~~(13)~~ IC 36-7-15.1-53
- ~~(14)~~ IC 36-7-15.1-55(c)
- ~~(15)~~ IC 36-7-30-25(a)(2)
- ~~(16)~~ IC 36-7-30-26(c)
- ~~(17)~~ IC 36-7-30.5-30 ~~or~~
- ~~(18)~~ IC 36-7-30.5-31

SECTION 11. IC 6-1.1-21.2-5, AS AMENDED BY P.L.146-2008, SECTION 233, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. As used in this chapter, "district" refers to the following:

- (1) An economic development district under IC 6-1.1-39.
- (2) An eligible entity (as defined in IC 8-22-3.5-2.5).
- (3) A regional transportation district established under IC 8-24-2.**
- ~~(3)~~ **(4)** A redevelopment district, for an allocation area established under:
 - (A) IC 36-7-14; or
 - (B) IC 36-7-15.1.
- ~~(4)~~ **(5)** A special taxing district, as described in:
 - (A) IC 36-7-14.5-12.5(d); or
 - (B) IC 36-7-30-3(b).

- ~~(5)~~ **(6)** A military base development area under IC 36-7-30.5-16.

SECTION 12. IC 6-1.1-21.2-6, AS AMENDED BY P.L.146-2008, SECTION 234, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. As used in this chapter, "governing body" means the following:

- (1) For an allocation area created under IC 6-1.1-39, the fiscal body of the county (as defined in IC 36-1-2-6).
- (2) For an allocation area created under IC 8-22-3.5, the commission (as defined in IC 8-22-3.5-2).
- (3) For an allocation area created under IC 8-24-14, the board (as defined in IC 8-24-1-5).**
- ~~(3)~~ **(4)** For an allocation area created under IC 36-7-14, the

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redevelopment commission.

~~(4)~~ **(5)** For an allocation area created under IC 36-7-14.5, the redevelopment authority.

~~(5)~~ **(6)** For an allocation area created under IC 36-7-15.1, the metropolitan development commission.

~~(6)~~ **(7)** For an allocation area created under IC 36-7-30, the military base reuse authority.

~~(7)~~ **(8)** For an allocation area created under IC 36-7-30.5, the military base development authority.

SECTION 13. IC 6-1.1-21.2-7, AS AMENDED BY P.L.146-2008, SECTION 236, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. As used in this chapter, "property taxes" means **the following**:

(1) Property taxes, as defined in **the following**:

(A) IC 6-1.1-39-5(g).

(B) IC 8-24-1-10.

~~(B)~~ **(C)** IC 36-7-14-39(a).

~~(C)~~ **(D)** IC 36-7-14-39.2.

~~(D)~~ **(E)** IC 36-7-14-39.3(c).

~~(E)~~ **(F)** IC 36-7-14.5-12.5.

~~(F)~~ **(G)** IC 36-7-15.1-26(a).

~~(G)~~ **(H)** IC 36-7-15.1-26.2(c).

~~(H)~~ **(I)** IC 36-7-15.1-53(a).

~~(I)~~ **(J)** IC 36-7-15.1-55(c).

~~(J)~~ **(K)** IC 36-7-30-25(a)(3).

~~(K)~~ **(L)** IC 36-7-30-26(c).

~~(L)~~ **(M)** IC 36-7-30.5-30. ~~or~~

~~(M)~~ **(N)** IC 36-7-30.5-31. ~~or~~

(2) For allocation areas created under IC 8-22-3.5, the taxes assessed on taxable tangible property in the allocation area.

SECTION 14. IC 6-1.1-21.2-8, AS AMENDED BY P.L.146-2008, SECTION 237, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. As used in this chapter, "special fund" means **the following**:

(1) The special funds referred to in IC 6-1.1-39-5.

(2) The special funds referred to in IC 8-22-3.5-9(e).

(3) The special funds referred to in IC 8-24-14-6.

~~(3)~~ **(4)** The allocation fund referred to in IC 36-7-14-39(b)(2).

~~(4)~~ **(5)** The allocation fund referred to in IC 36-7-14.5-12.5(d).

~~(5)~~ **(6)** The special fund referred to in IC 36-7-15.1-26(b)(2).

~~(6)~~ **(7)** The special fund referred to in IC 36-7-15.1-53(b)(2).

~~(7)~~ **(8)** The allocation fund referred to in IC 36-7-30-25(b)(2). ~~or~~

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~~(8)~~ **(9)** The allocation fund referred to in IC 36-7-30.5-30(b)(2).

SECTION 15. IC 6-3.5-1.1-15, AS AMENDED BY P.L.146-2008, SECTION 329, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) As used in this section, "attributed allocation amount" of a civil taxing unit for a calendar year means the sum of:

- (1) the allocation amount of the civil taxing unit for that calendar year; plus
- (2) the current ad valorem property tax levy of any special taxing district, authority, board, or other entity formed to discharge governmental services or functions on behalf of or ordinarily attributable to the civil taxing unit; plus
- (3) in the case of a county, an amount equal to the welfare allocation amount.

The welfare allocation amount is an amount equal to the sum of the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund and, if the county received a certified distribution under this chapter or IC 6-3.5-6 in 2008, the property taxes imposed by the county in 2008 for the county's county medical assistance to wards fund, family and children's fund, children's psychiatric residential treatment services fund, county hospital care for the indigent fund, and children with special health care needs county fund.

(b) The part of a county's certified distribution that is to be used as certified shares shall be ~~allocated only among~~ **used to:**

- (1) make distributions of certified shares to the county's civil taxing units under subsection (c); or**
- (2) fund the operation or other projects of a regional transportation district as provided in an election, if any, made by a county fiscal body under IC 8-24-13-4.**

(c) Each civil taxing unit of a county is entitled to receive a certified share during a calendar year in an amount determined in STEP TWO of the following formula:

STEP ONE: Divide:

- (A) the attributed allocation amount of the civil taxing unit during that calendar year; by
- (B) the sum of the attributed allocation amounts of all the civil taxing units of the county during that calendar year.

STEP TWO: Multiply the part of the county's certified distribution that is to be used as certified shares **that is not distributed under subsection (b)(2)** by the STEP ONE amount.

~~(c)~~ **(d)** The local government tax control board established by

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IC 6-1.1-18.5-11 shall determine the attributed levies of civil taxing units that are entitled to receive certified shares during a calendar year. If the ad valorem property tax levy of any special taxing district, authority, board, or other entity is attributed to another civil taxing unit under subsection (a)(2), then the special taxing district, authority, board, or other entity shall not be treated as having an attributed allocation amount of its own. The local government tax control board shall certify the attributed allocation amounts to the appropriate county auditor. The county auditor shall then allocate the certified shares among the civil taxing units of the auditor's county.

~~(d)~~ **(e)** Certified shares received by a civil taxing unit shall be treated as additional revenue for the purpose of fixing its budget for the calendar year during which the certified shares will be received. The certified shares may be allocated to or appropriated for any purpose, including property tax relief or a transfer of funds to another civil taxing unit whose levy was attributed to the civil taxing unit in the determination of its attributed allocation amount.

SECTION 16. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; ~~and~~
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter; **and**
- (8) fund the operation or other projects of a regional transportation district as provided in an election, if any, made by a county fiscal body under IC 8-24-13-4.**

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of

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the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

- (1) the amount, if any, specified by the county fiscal body for a particular calendar year under subsection (i), IC 36-7-15.1-17.5, IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified distribution for that same calendar year; and
- (2) the amount of an additional tax rate imposed under section 27, 28, 29, 30, 31, 32, or 33 of this chapter.

The county auditor shall distribute amounts retained under this subsection to the county.

(d) All certified distribution revenues that are not retained and distributed under subsections (b) and (c) shall be distributed to the civil taxing units of the county as distributive shares.

(e) The amount of distributive shares that each civil taxing unit in a county is entitled to receive during a month equals the product of the following:

- (1) The amount of revenue that is to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the allocation amount for the civil taxing unit for the calendar year in which the month falls. The denominator of the fraction equals the sum of the allocation amounts of all the civil taxing units of the county for the calendar year in which the month falls.

(f) The department of local government finance shall provide each county auditor with the fractional amount of distributive shares that each civil taxing unit in the auditor's county is entitled to receive monthly under this section.

(g) Notwithstanding subsection (e), if a civil taxing unit of an adopting county does not impose a property tax levy that is first due and payable in a calendar year in which distributive shares are being distributed under this section, that civil taxing unit is entitled to receive a part of the revenue to be distributed as distributive shares under this section within the county. The fractional amount such a civil taxing unit is entitled to receive each month during that calendar year equals the product of the following:

- (1) The amount to be distributed as distributive shares during that month; multiplied by
- (2) A fraction. The numerator of the fraction equals the budget of that civil taxing unit for that calendar year. The denominator of the fraction equals the aggregate budgets of all civil taxing units

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of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents.

SECTION 17. IC 6-3.5-7-5, AS AMENDED BY P.L.146-2008, SECTION 344, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on March 31 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on March 31 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in subsections (c), (g), (k), (p), and (r) and ~~section~~ **sections 28 and 34** of this chapter, the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);

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- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o), (p), (s), (v), (w), (x), or (y), the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in subsection (g), (p), (r), (t), (u), (w), (x), or (y), the county economic development tax rate plus the county option income tax rate, if any, that are in effect on January 1 of a year may not exceed one percent (1%).

(d) To impose, increase, decrease, or rescind the county economic development income tax, the appropriate body must, after March 31 but before August 1 of a year, adopt an ordinance. The ordinance to impose the tax must substantially state the following:

"The _____ County _____ imposes the county economic development income tax on the county taxpayers of _____ County. The county economic development income tax is imposed at a rate of _____ percent (____%) on the county taxpayers of the county. This tax takes effect October 1 of this year."

(e) Any ordinance adopted under this chapter takes effect October 1 of the year the ordinance is adopted.

(f) The auditor of a county shall record all votes taken on ordinances presented for a vote under the authority of this chapter and shall, not more than ten (10) days after the vote, send a certified copy of the results to the commissioner of the department by certified mail.

(g) This subsection applies to a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000). Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

(1) county economic development income tax may be imposed at a rate of:

- (A) fifteen-hundredths percent (0.15%);
- (B) two-tenths percent (0.2%); or
- (C) twenty-five hundredths percent (0.25%); and

(2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%); if the county income tax council makes a determination to impose rates

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under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

- (1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
- (2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(m) For:

- (1) a county having a population of more than one hundred eighty-two thousand seven hundred ninety (182,790) but less than

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two hundred thousand (200,000); or

(2) a county having a population of more than forty-five thousand (45,000) but less than forty-five thousand nine hundred (45,900); except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(n) For a county having a population of more than six thousand (6,000) but less than eight thousand (8,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(o) This subsection applies to a county having a population of more than thirty-nine thousand (39,000) but less than thirty-nine thousand six hundred (39,600). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and:

(A) the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%); or

(B) the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%);

if the county council makes a determination to impose rates under this subsection and section 24 of this chapter.

(p) In addition:

(1) the county economic development income tax may be imposed at a rate that exceeds by not more than twenty-five hundredths percent (0.25%) the maximum rate that would otherwise apply under this section; and

(2) the:

(A) county economic development income tax; and

(B) county option income tax or county adjusted gross income tax;

may be imposed at combined rates that exceed by not more than twenty-five hundredths percent (0.25%) the maximum combined rates that would otherwise apply under this section.

However, the additional rate imposed under this subsection may not exceed the amount necessary to mitigate the increased ad valorem

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property taxes on homesteads (as defined in IC 6-1.1-20.9-1 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or residential property (as defined in section 26 of this chapter), as appropriate under the ordinance adopted by the adopting body in the county, resulting from the deduction of the assessed value of inventory in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the exclusion in 2008 of inventory from the definition of personal property in IC 6-1.1-1-11.

(q) If the county economic development income tax is imposed as authorized under subsection (p) at a rate that exceeds the maximum rate that would otherwise apply under this section, the certified distribution must be used for the purpose provided in section 25(e) or 26 of this chapter to the extent that the certified distribution results from the difference between:

- (1) the actual county economic development tax rate; and
- (2) the maximum rate that would otherwise apply under this section.

(r) This subsection applies only to a county described in section 27 of this chapter. Except as provided in subsection (p), in addition to the rates permitted by subsection (b), the:

- (1) county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and
 - (2) county economic development income tax rate plus the county option income tax rate that are in effect on January 1 of a year may equal up to one and twenty-five hundredths percent (1.25%);
- if the county council makes a determination to impose rates under this subsection and section 27 of this chapter.

(s) Except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%) if the county has imposed the county adjusted gross income tax under IC 6-3.5-1.1-3.3.

(t) This subsection applies to Howard County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

(u) This subsection applies to Scott County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

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(v) This subsection applies to Jasper County. Except as provided in subsection (p), the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(w) An additional county economic development income tax rate imposed under section 28 **or 34** of this chapter may not be considered in calculating any limit under this section on the sum of:

- (1) the county economic development income tax rate plus the county adjusted gross income tax rate; or
- (2) the county economic development tax rate plus the county option income tax rate.

(x) The income tax rate limits imposed by subsection (c) or (y) or any other provision of this chapter do not apply to:

- (1) a county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or
- (2) a county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

For purposes of computing the maximum combined income tax rate under subsection (c) or (y) or any other provision of this chapter that may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this chapter, a county's county adjusted gross income tax rate or county option income tax rate for a particular year does not include the county adjusted gross income tax rate imposed under IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

(y) This subsection applies to Monroe County. Except as provided in subsection (p), if an ordinance is adopted under IC 6-3.5-6-33, the sum of the county economic development income tax rate and the county option income tax rate that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%).

SECTION 18. IC 6-3.5-7-34 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 34. (a) This section applies only to a county that is a member of a regional transportation district established under IC 8-24-2.**

(b) In addition to the rates permitted by section 5 of this chapter, the entity that imposed the county economic development income tax under section 5 of this chapter (or, in the case of a county that has not imposed the county economic development income tax, the entity that may impose the county economic development income tax under section 5(a)(3) of this chapter) may

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by ordinance impose an additional county economic development income tax at a rate of:

- (1) twenty-five hundredths of one percent (0.25%); or
- (2) five-hundredths of one percent (0.05%);

on the adjusted gross income of county taxpayers.

(c) If an additional county economic development income tax is imposed under this section, the county treasurer shall establish a county regional transportation district fund. Notwithstanding any other provision of this chapter, the county economic development income tax revenues derived from the additional county economic development income tax imposed under this section must be deposited in the county regional transportation district fund before any certified distributions are made under section 12 of this chapter.

(d) County economic development income tax revenues derived from the additional county economic development income tax imposed under this section and deposited in the county regional transportation district fund:

- (1) shall, not more than thirty (30) days after being deposited in the county regional transportation district fund, be transferred to the treasurer of the regional transportation district for which the county is a member; and
- (2) may not be considered by the department of local government finance in determining the county's maximum permissible property tax levy under IC 6-1.1-18.5.

(e) Notwithstanding sections 5 and 6 of this chapter, if a county becomes a member of a regional transportation district under IC 8-24-2 and imposes an additional county economic development income tax under this section, then, notwithstanding section 11 or any other provision of this chapter, the initial certified distribution of the tax revenue and the certification in each subsequent year that results from the additional tax shall be distributed to the county treasurer from the account established for the county under this chapter according to the following schedule during the eighteen (18) month period beginning on July 1 of the year in which the county adopts the ordinance to impose the additional tax:

- (1) One-fourth (1/4) on October 1 of the year in which the ordinance to impose the additional tax is adopted.
- (2) One-fourth (1/4) on January 1 of the calendar year following the year in which the ordinance to impose the additional tax is adopted.

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(3) One-fourth (1/4) on May 1 of the calendar year following the year in which the ordinance to impose the additional tax is adopted.

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance to impose the additional tax is adopted.

SECTION 19. IC 8-14-2-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008 (RETROACTIVE)]: Sec. 4.5. (a) The definitions in this subsection apply throughout this section:

(1)"Designated federal funds" refers to the following:

(A) Two hundred fifty million dollars (\$250,000,000) from the amount of the:

(i) federal fiscal year 2009 highway bridge program funds authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law Number 109-59;

(ii) federal fiscal year 2009 equity bonus program funds authorized under Section 105(a) of the Title 23 of the United States Code; and

(iii) federal fiscal year 2009 surface transportation program funds authorized under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Public Law Number 109-59;

that were apportioned to Indiana by the United States Department of Transportation Federal Highway Administration for the federal fiscal year beginning October 1, 2008, and ending September 30, 2009. The term includes any amount appropriated by law for use by the Indiana department of transportation.

(B) Eighteen and two tenths percent (18.2%) of the amount of Indiana's apportionment of grants to the states from the state fiscal stabilization fund under Division A, Title XIV of the federal American Recovery and Reinvestment Act of 2009, which under Section 14002(b)(1) of Division A, Title XIV of the federal American Recovery and Reinvestment Act of 2009 may be used for public safety or other governmental services.

(C) Two hundred million dollars (\$200,000,000) from Indiana's apportionment of grants to the states under the federal American Recovery and Reinvestment Act of 2009 (other than the amount described in clause (B)) that are

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eligible to be used for engineering, land acquisition, construction, resurfacing, restoration, or rehabilitation of highway facilities.

(2) "Designated next generation trust money" refers to two hundred fifty million dollars (\$250,000,000) from the next generation trust fund under IC 8-14-15.

(b) Notwithstanding any other law, the budget agency shall allot and the auditor of state shall distribute the total of all designated federal funds and designated next generation trust money to counties, cities, and towns in Indiana. The total to be distributed shall be allocated among the counties and suballocated within a county between the county and the cities and towns in the county in the same proportion as money in the local road and street account is allocated and suballocated under section 4(c) of this chapter. The money shall be distributed as soon as practicable after the money is received from the federal government.

(c) A county, city, or town shall separately account for money distributed under this section. The county, city, or town shall use the money distributed under this section exclusively for engineering, land acquisition, construction, resurfacing, restoration, and rehabilitation of highway facilities. Any part of a distribution made from designated federal funds may be used only as permitted by the federal laws and regulations governing the use of the designated federal funds.

(d) The total amount specified in this section as designated federal funds and the total amount specified in this section as designated next generation trust money is appropriated to the budget agency for the purposes of this section, beginning July 1, 2008, and ending June 30, 2011. Notwithstanding IC 4-13-2-19, the money appropriated by this section does not revert to the state general fund or to another fund at the close of any state fiscal year but remains available to the budget agency until the purposes for which it was appropriated are fulfilled.

(e) Unless otherwise provided by law, the amounts distributed under this section to a county, city, or town must be expended for the purposes of this section before July 1, 2011.

SECTION 20. IC 8-14-15-4, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. (a) The authority shall establish a next generation trust fund to hold title to proceeds transferred to the trust under IC 8-15.5-11 to be used exclusively for the provision of highways, roads, and bridges for the benefit of the people of Indiana

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and the users of those facilities.

(b) **Subject to this chapter**, the trust ~~shall be established as is~~ a charitable trust, separate from the state, but for the benevolent public purpose provided in this section.

(c) The trust consists of the proceeds transferred to the trust under IC 8-15.5-11 and any income that accrues from the investment of these proceeds.

SECTION 21. IC 8-14-15-6, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. **(a) Except as provided in subsection (b)**, a trust established under this chapter must be an irrevocable trust and may not be revoked or terminated by the authority or any other person, nor may it be amended or altered by the authority or any other person. However, the terms of the trust must provide that the trust terminates when no funds remain in the trust.

(b) Terms of the trust prohibiting any person from diminishing the principal of the trust do not apply if the general assembly enacts a statute appropriating any part of the principal or otherwise authorizing a reduction of the principal.

SECTION 22. IC 8-14-15-10, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) The principal of the trust may ~~not only~~ be diminished during the term of the trust **in accordance with a statute enacted by the general assembly.**

(b) The income that accrues from investment of the trust shall be deposited in the trust.

(c) On March 15, 2011, March 15, 2016, and March 15 every five (5) years thereafter, the treasurer of state shall transfer all interest accruing to the trust to the major moves construction fund.

SECTION 23. IC 8-14-15-12, AS ADDED BY P.L.47-2006, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) ~~This section applies~~ **Except as provided in subsection (b), the attorney general may petition a court to impose one (1) or more of the remedies described in IC 30-4-5.5-1** if a person does any of the following with respect to a trust created under this chapter:

- (1) Commits a breach of the trust.
- (2) Violates the mandate of the trust or trust agreement.
- (3) Violates a duty imposed by this chapter, the trust agreement, or IC 30-4.

~~(b) The attorney general may petition a court to impose one (1) or more of the remedies described in IC 30-4-5.5-1.~~

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(b) Subsection (a) does not apply to the following:

- (1) The general assembly.
- (2) Any action of the trustee necessary to carry out the purposes of a statute enacted by the general assembly, including a statute to appropriate any part of the principal of the trust.
- (3) Any action of the auditor of state, the budget agency, or any other agency, authority, board, commission, or employee of the state to carry out a statute to appropriate any part of the principal of the trust.

SECTION 24. IC 8-14-15-14 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 14. The general assembly finds the following:**

- (1) That the world, United States, and Indiana economies have drastically changed since the general assembly enacted this chapter in 2006.
- (2) That investment, employment, and state and local tax revenues have declined significantly and are expected to continue to decline.
- (3) That improving the Indiana economy is the general assembly's first priority.
- (4) That the principal of the next generation trust fund is a state resource that must be used to stimulate investment and employment in Indiana.
- (5) That appropriating any part of the principal of the next generation trust fund is in the public interest.
- (6) That the economic conditions of 2009 justify the amendments to this chapter to make the principal of the next generation trust fund available to stimulate the Indiana economy in the manner prescribed by the general assembly.

SECTION 25. IC 8-23-1-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. "Deputy commissioner" refers to the deputy commissioner of the department appointed under IC 8-23-2-2.5.**

SECTION 26. IC 8-23-1-33.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 33.5. "Public transportation agency" has the meaning set forth in IC 8-24-1-11.**

SECTION 27. IC 8-23-2-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE

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UPON PASSAGE]: Sec. 2.5. (a) The governor may appoint a deputy commissioner for the department to assist the commissioner with the implementation of the public transportation responsibilities of the department.

(b) The deputy commissioner:

- (1) shall be employed solely on the basis of ability, taking into account the individual's qualifications to perform the duties of the individual's position;
- (2) shall be employed regardless of political affiliation;
- (3) may not be appointed, promoted, reduced, removed, or in any way favored or discriminated against because of the individual's political affiliation, race, religion, color, sex, national origin, or ancestry;
- (4) is ineligible to hold, or be a candidate for, elected office (as defined in IC 3-5-2-17) while employed by the department;
- (5) may not solicit or receive political contributions;
- (6) may not be required to make contributions for or participate in political activities;
- (7) serves at the pleasure of the governor; and
- (8) is entitled to receive compensation set by the budget agency.

(c) The deputy commissioner shall do the following:

- (1) Work with the public transportation agencies to develop a comprehensive long range plan that will meet present and future public transit needs.
- (2) Work with the public transportation agencies to create a reliable, accessible, and cost effective service through the territory of the public transportation agencies.
- (3) Develop and maintain effective communications between the public transportation agencies and the department.

SECTION 28. IC 8-23-2-5, AS AMENDED BY P.L.35-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The department, through the commissioner or the commissioner's designee, shall:

(1) develop, continuously update, and implement:

- (A) long range comprehensive transportation plans;
- (B) work programs; and
- (C) budgets;

to assure the orderly development and maintenance of an efficient statewide system of transportation;

(2) implement the policies, plans, and work programs adopted by the department;

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- (3) organize by creating, merging, or abolishing divisions;
- (4) evaluate and utilize whenever possible improved transportation facility maintenance and construction techniques;
- (5) carry out public transportation responsibilities, including:
 - (A) developing and recommending public transportation policies, plans, and work programs;
 - (B) providing technical assistance and guidance in the area of public transportation to **public transportation agencies and other** political subdivisions; ~~with public transportation responsibilities;~~
 - (C) developing work programs for the utilization of federal mass transportation funds **and other federal funds available for public transportation purposes;**
 - (D) furnishing data from surveys, plans, specifications, and estimates required to qualify a state agency, **public transportation agency**, or political subdivision for federal mass transportation funds **or other federal funds available for public transportation purposes;**
 - (E) conducting or participating in any public hearings to qualify urbanized areas, **public transportation agencies, and political subdivisions** for an allocation of federal mass transportation funding **or other federal funds available for public transportation purposes;**
 - (F) serving, upon designation of the governor, as the state agency to receive and disburse any state or federal mass transportation funds that are not directly allocated to an urbanized area, **a public transportation agency, or a political subdivision;**
 - (G) entering into agreements with **public transportation agencies, political subdivisions**, other states, regional agencies created in other states, and municipalities in other states for the purpose of improving public transportation service to the citizens; and
 - (H) developing and including in its own proposed transportation plan a specialized transportation services plan for the elderly and persons with disabilities;
- (6) provide technical assistance to units of local government with road and street responsibilities;
- (7) develop, undertake, and administer the program of research and extension required under IC 8-17-7;
- (8) allow public testimony in accordance with section 17 of this chapter whenever the department holds a public hearing (as

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defined in section 17 of this chapter); and

(9) adopt rules under IC 4-22-2 to reasonably and cost effectively manage the right-of-way of the state highway system by establishing a formal procedure for highway improvement projects that involve the relocation of utility facilities by providing for an exchange of information among the department, utilities, and the department's highway construction contractors.

(b) Rules adopted under subsection (a)(9) shall not unreasonably affect the cost, or impair the safety or reliability, of a utility service.

(c) A civil action may be prosecuted by or against the department, a department highway construction contractor or a utility to recover costs and expenses directly resulting from willful violation of the rules. Nothing in this section or in subsection (a)(9) shall be construed as granting authority to the department to adopt rules establishing fines, assessments or other penalties for or against utilities or the department's highway construction contractors.

SECTION 29. IC 8-23-8-10 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2009 (RETROACTIVE)]: **Sec. 10. (a) As used in this section, "designated highway" refers to the highway designated as a limited access facility under subsection (b).**

(b) The department shall designate and do all acts necessary to establish the part of State Road 331 in St. Joseph County from the U.S. Highway 20 bypass to State Road 23 as a limited access facility. The designated highway shall be in operation as a limited access facility beginning not later than January 1, 2009.

(c) Neither the department nor any political subdivision may authorize any additional curb cuts or intersections after January 1, 2009, on the designated highway. The department shall limit intersections on the designated highway to the following locations:

- (1) U.S. Highway 20 bypass.**
- (2) Dragoon Trail.**
- (3) Twelfth Street (also known as Harrison Road).**
- (4) Indiana 933 (also known as Lincoln Way).**
- (5) Jefferson Boulevard.**
- (6) McKinley Highway.**
- (7) Day Road.**
- (8) Cleveland Road.**
- (9) State Road 23."**

Page 3, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 31. IC 8-23-20-25, AS AMENDED BY P.L.66-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

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JULY 1, 2009]: Sec. 25. (a) The department shall institute a permit system to regulate the erection and maintenance of outdoor advertising signs along:

- (1) the interstate and primary system, as defined in 23 U.S.C. 131(t) on June 1, 1991; and
- (2) any other highways where control of outdoor advertising signs is required under 23 U.S.C. 131.

(b) Except as provided in subsections (c) and (g) and section 25.5(c) of this chapter, a sign may not be erected, operated, used, or maintained in areas described in subsection (a) unless the owner of the sign has obtained a permit under this section.

(c) A permit is not required to erect, operate, use, or maintain the following signs:

- (1) Directional or official signs and notices.
- (2) Signs advertising the sale or lease of the property on which the sign is located.
- (3) Signs that primarily indicate ~~(A)~~ the name of the business, activity, or profession conducted, ~~(B)~~ the types of goods produced or sold, or ~~(C)~~ the services rendered on:

(A) the property on which the sign is located; or

(B) commonly owned nonadjacent property located within five (5) miles of the sign, if the property on which the sign is located is used in conjunction with, in furtherance of, or in support of the commonly owned nonadjacent property.

(d) Signs in existence on July 1, 1993, and subject to this section:

- (1) must comply with the registration system described in subsection (h); and
- (2) are subject to the permit requirement after the department has made the determination described in subsection (g).

(e) The department shall adopt rules under IC 4-22-2 to carry out this section. Rules adopted under this section may be no broader than necessary to implement 23 U.S.C. 131 and 23 CFR 750.

(f) In addition to the requirements of subsection (e), rules adopted under this section must provide the following:

- (1) A list of all roadways subject to the permit requirement.
- (2) A procedure to appeal adverse determinations of the department under IC 4-21.5, including provisions for judicial review under IC 4-21.5.
- (3) A one-time fee of one hundred dollars (\$100) per structure must accompany the permit application. A permit fee may not be charged to a sign that is subject to and complies with the registration system described in subsection (h).

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(4) That a permit may not be issued for a sign erected in an adjacent area after January 1, 1968, unless:

(A) the sign is erected in an area described in section 5 of this chapter; or

(B) the permit is a conditional permit issued under subdivision (6).

(5) That a permit may not be issued for a sign erected after June 30, 1976, outside of urban areas, beyond six hundred sixty (660) feet of the right-of-way, visible from the traveled way, and erected with the purpose of a message being read from the traveled way, unless:

(A) the sign is erected in an area described in section 5 of this chapter; or

(B) the permit is a conditional permit issued under subdivision (6).

(6) For the issuance of a conditional permit for a nonconforming sign that has not been acquired under section 10 of this chapter. A conditional permit issued under this subdivision may be revoked if the department subsequently acquires the sign.

(7) That the department is granted the right to enter the real property on which a sign for which a permit under this section has been applied for or issued to perform reasonable examinations and surveys necessary to administer the permit system.

(8) The department may revoke any permit when it is found that the permittee has provided false or misleading information and that such a finding may be cause to subsequently refuse to issue a permit.

(9) Any other provisions necessary to:

(A) administer this section; or

(B) avoid sanctions under 23 U.S.C. 131.

(g) A sign that is subject to and complies with the registration system described in subsection (h) may not be declared unlawful until the later of the following:

(1) The department has made a determination of permit eligibility under this section.

(2) December 31, 1993.

(h) A separate application for registration must be submitted to the department for each structure defined in subsection (d) and must:

(1) be on a form furnished by the department;

(2) signed by the applicant or an individual authorized in writing to sign for the applicant;

(3) provide information concerning the size, shape, and nature of

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the advertising sign, display, or device;

(4) provide the sign's actual location with sufficient accuracy to enable the department to locate the sign; and

(5) include a one-time registration fee of twenty-five dollars (\$25).

(i) A sign that is not registered before January 1, 1994, is a public nuisance subject to section 26 of this chapter.

(j) Each registrant shall fasten to each advertising sign or device a label or marker provided by the department that must be plainly visible from the traveled way."

Page 3, line 29, after "Production" insert "**or Livestock Feed**".

Page 3, line 33, delete "." and insert "**or as feed for livestock.**".

Page 3, line 34, delete "refer" and insert "**refers**".

Page 3, delete lines 37 through 40, begin a new paragraph and insert:

"Sec. 3. As used in this chapter, "vegetation" refers to grasses or other plants that:

(1) are suitable for processing into fuels or other energy products; or

(2) may be used to feed livestock."

Page 3, line 41, after "Sec. 4." insert "**(a)**".

Page 4, line 3, delete "." and insert "**or for use as feed for livestock.**".

Page 4, between lines 3 and 4, begin a new paragraph and insert:

"(b) Before entering into a lease under this chapter, the department shall consult with the invasive species council established by IC 15-16-10-3 in order to obtain recommendations from the council concerning the appropriateness of the vegetation proposed to be planted under the terms of the lease."

Page 4, line 11, delete "." and insert "**or as feed for livestock.**".

Page 4, after line 27, begin a new paragraph and insert:

"SECTION 34. IC 8-24 IS ADDED TO THE INDIANA CODE AS A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 24. REGIONAL TRANSPORTATION DISTRICTS

Chapter 1. Purpose; Definitions

Sec. 1. The purpose of this article is to provide a flexible means of planning, designing, acquiring, constructing, enlarging, improving, renovating, maintaining, equipping, financing, operating, and supporting public transportation systems that can be adapted to the unique circumstances existing in different parts of Indiana.

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Sec. 2. The definitions in this chapter apply throughout this article.

Sec. 3. "Allocation area" means the part of an area to which an allocation provision of a declaratory resolution adopted under IC 8-24-14-1 refers for purposes of distribution and allocation of property taxes.

Sec. 4. "Base assessed value" means the sum of:

(1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution; plus

(2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision;

as adjusted by the department of local government finance under IC 8-24-14-5.

Sec. 5. "Board" refers to a regional transportation board established under IC 8-24-4 for a district.

Sec. 6. "Bonds" means, except as otherwise provided, bonds, notes, or other evidences of indebtedness issued by a district.

Sec. 7. "District" refers to a regional transportation district established under IC 8-24-2.

Sec. 8. "Executive director" refers to the executive director of the district.

Sec. 9. "Project" refers to an action taken to:

- (1) plan;
- (2) design;
- (3) acquire;
- (4) construct;
- (5) enlarge;
- (6) improve;
- (7) renovate;
- (8) maintain;
- (9) equip; or
- (10) operate;

a public transportation system.

Sec. 10. "Property taxes" refers to taxes imposed under IC 6-1.1 on:

- (1) real property; and
- (2) depreciable personal property that has a useful life in

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excess of eight (8) years, if the board adopts a resolution under IC 8-24-14-1 to include within the term property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years.

The board may, by resolution, determine the percentage of taxes imposed under IC 6-1.1 on all depreciable personal property that will be included within the definition of "property taxes". However, the percentage included must not exceed twenty-five percent (25%) of the taxes imposed under IC 6-1.1 on all depreciable personal property. The term does not include property taxes imposed for a fire protection district established under IC 36-8-11 or taxes imposed on the depreciable personal property of a street rail car company, a sleeping car company, or another rail car company that is subject to IC 6-1.1-8.

Sec. 11. "Public transportation agency" means a county, city, or town, or any other entity that operates or otherwise carries out a project for a public transportation system in Indiana. The term includes the following:

- (1) A commuter transportation district established under IC 8-5-15.
- (2) An automated transit district established under IC 8-9.5-7.
- (3) Another district.
- (4) The northwest Indiana regional development authority established under IC 36-7.5.
- (5) A regional development authority established under IC 36-7.6.
- (6) A regional transportation authority established under IC 36-9-3-2.
- (7) A regional bus authority under IC 36-9-3-2(c).
- (8) A public transportation corporation established under IC 36-9-4.

Sec. 12. "Public transportation system" means any common carrier of passengers for hire.

Chapter 2. Establishment

Sec. 1. The fiscal body of a county may, by resolution, establish a regional transportation district. Two (2) or more counties may jointly establish a district by adopting identical resolutions. A district may be expanded to include one (1) or more additional counties if resolutions approving the expansion are adopted by the fiscal bodies of:

- (1) each of the counties to be added to the district; and
- (2) a majority of the counties in the district.



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Sec. 2. (a) A county that participates in a district must be a member of the district for at least ten (10) years after the date the county becomes a member.

(b) At least twelve (12) months and not more than eighteen (18) months before the end of a ten (10) year period, the fiscal body of a county participating in the district must adopt a resolution that:

- (1)** commits the county to an additional ten (10) years as a member of the district, beginning at the end of the current ten (10) year period; or
- (2)** withdraws the county from membership in the district not earlier than the end of the current ten (10) year period.

(c) The fiscal body of a county that participates in the district must adopt a resolution under subsection (b) during each ten (10) year period in which the county is a member of the board.

(d) A county may withdraw from a district as provided in this section only with the approval of the board.

(e) If at the end of a ten (10) year period a county withdraws from the district under this section:

- (1)** the terms of members of the board from that county and any city in that county are terminated upon the effective date of the withdrawal of the county; and
- (2)** the county and each city in the county continue to be liable to the district for the amounts that would have otherwise been due from the county and each city in the county for any:
 - (A)** unpaid transfers to the district that became due before the withdrawal of the county or city from the district is effective; and
 - (B)** amounts due under any bonds issued or lease rental agreements entered into before the withdrawal of the county from the district is effective.

Sec. 3. If an existing public transportation agency operates within the boundaries of a district, the legislative body that established the public transportation agency may adopt a resolution to shift any of the public transportation powers of the public transportation agency to the district.

Sec. 4. A public transportation agency may merge with a district on the terms jointly agreed to by the governing body of the district and the public transportation agency. However, the merger of two (2) or more districts must comply with section 1 of this chapter. A merger under this section does not transfer to the district any powers that are not public transportation powers.

Chapter 3. Status



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Sec. 1. A district is a body corporate and politic. A district is separate from the state and any other political subdivision, but the exercise by the district of its powers is an essential governmental function.

Sec. 2. All the incorporated and unincorporated area in a county that becomes a member of a district is included in the district.

Sec. 3. A pledge or mortgage of a district does not create an obligation of the state or a political subdivision within the meaning of the Constitution of the State of Indiana or any statute.

Sec. 4. All:

- (1) property owned by a district;
- (2) revenue of a district; and
- (3) bonds issued by a district, the interest on the bonds, the proceeds received by a holder from the sale of bonds to the extent of the holder's cost of acquisition, proceeds received upon redemption before maturity, proceeds received at maturity, and the receipt of interest in proceeds;

are exempt from taxation in Indiana for all purposes except the financial institutions tax imposed under IC 6-5.5 or a state inheritance tax imposed under IC 6-4.1.

Sec. 5. All securities issued under this article are exempt from the registration requirements of IC 23-19 and other securities registration statutes.

Sec. 6. (a) This section does not apply to interurban or interstate public transportation service.

(b) Service provided by the district within the territory of the district is exempt from regulation by the department of state revenue under IC 8-2.1. This exemption applies to transportation services provided by the district directly or by grants or purchase of service agreements.

(c) Service provided by the district by contract or service agreements outside the territory of the district is subject to regulation by the department of state revenue under IC 8-2.1.

(d) The department of state revenue shall hear appeals concerning any regulatory action of the district concerning service and rates and, after making a finding based on the requirements of IC 8-2.1, issue an appropriate order. Judicial review of the commission decision may be obtained in the manner prescribed by IC 4-21.5-5.

Chapter 4. Board

Sec. 1. The power to govern the district is vested in a regional transportation board.

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Sec. 2. The board is composed of the following members:

- (1) One (1) member from the fiscal body for each participating county, appointed by the president of the county fiscal body.**
- (2) One (1) member from the county executive for each participating county, appointed by the president of the county executive board.**
- (3) One (1) member from the fiscal body for each city in a participating county (other than a city in a county with a consolidated city), appointed by the president of the fiscal body of the city.**
- (4) One (1) member of a labor organization representing employees of the district who provide public transportation services within the geographic jurisdiction of the district. The labor organization shall appoint the member. If more than one (1) labor organization represents the employees of the district, each organization shall submit one (1) name to the governor, and the governor shall appoint the member from the list of names submitted by the organizations.**

Sec. 3. A member of a board must be a resident of the unit that appointed the member.

Sec. 4. A member of a board serves at the pleasure of the appointing authority.

Sec. 5. If a participating unit fails to make an appointment to the board within sixty (60) days after the participating unit becomes a member of the district or within sixty (60) days after the position becomes vacant, the appointment shall be made by the governor.

Sec. 6. A member of a board is not entitled to receive compensation for performance of the member's duties. However, a member of the board is entitled to a per diem from the district for the member's participation in board meetings. The amount of the per diem is equal to the amount of the per diem provided under IC 4-10-11-2.1(b).

Sec. 7. A majority of the members appointed to a board constitutes a quorum for a meeting.

Sec. 8. The affirmative votes of at least a majority of the appointed members of a board are necessary to authorize any action of the district.

Sec. 9. A board shall elect a chair of the board and any other officers that the board determines appropriate.

Sec. 10. A board shall meet at least quarterly.

Sec. 11. The chair of a board or any two (2) members of the

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board may call a meeting of the board. The mayor of the city with the largest population in the district shall call the initial meeting of the board for a date that is not more than sixty (60) days after the board is initially established.

Sec. 12. The board may adopt the bylaws and rules that the board considers necessary for the proper conduct of the board's duties and the safeguarding of the district's funds and property.

Chapter 5. General Powers

Sec. 1. The district shall exercise the powers granted to the district by this article to carry out the purposes of the district.

Sec. 2. The district may sue and be sued in the name of the district.

Sec. 3. The district may determine matters of policy regarding internal organization and operating procedures not specifically provided for by law.

Sec. 4. The district may employ the personnel necessary to carry out the duties, functions, and powers of the district.

Sec. 5. The district may fix the compensation of the various officers and employees of the district, within the limitations of the total personal services budget.

Sec. 6. The district may adopt rules governing the duties of its officers, employees, and personnel, and the internal management of the affairs of the district.

Sec. 7. The district may protect all property owned or managed by the district and procure insurance against any losses in connection with its property, operations, or assets in amounts and from insurers as it considers desirable.

Sec. 8. Subject to this article, the district may borrow money, make guaranties, issue bonds, and otherwise incur indebtedness for any of the district's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by the affected statutes.

Sec. 9. The district may acquire real, personal, or mixed property by deed, purchase, or lease and dispose of it for use in connection with or for the purposes of the district, including supplies, materials, and equipment to carry out the duties and functions of the district.

Sec. 10. The district may receive gifts, donations, bequests, and public trusts, agree to conditions and terms accompanying them, and bind the district to carry them out.

Sec. 11. (a) The district may receive federal or state aid and administer that aid.

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(b) The district may comply with federal statutes and rules concerning the expenditure of federal money for public transportation systems. The board may apply to state and federal agencies for grants for public transportation development, make or execute representations, assurances, and contracts, enter into covenants and agreements with any state or federal agency relative to public transportation systems, and comply with federal and state statutes and rules concerning the acquisition, development, operation, and administration of public transportation systems.

(c) The district may use money received by the district that is not pledged or restricted for another purpose to provide a local match required for the receipt of any federal funds.

Sec. 12. The district may adopt a schedule of reasonable charges and rents and collect them from all users of facilities and services within the jurisdiction of the district.

Sec. 13. The district may purchase public transportation services from public or private transportation agencies upon the terms and conditions set forth in purchase of service agreements between the district and the transportation agencies.

Sec. 14. The district may acquire, establish, construct, renovate, improve, equip, operate, maintain, finance, subsidize, lease, and regulate public transportation systems serving the district.

Sec. 15. The district may make, execute, and enforce contracts and all other instruments necessary, convenient, or desirable for the purposes of the district or pertaining to:

- (1) a purchase, acquisition, or sale of securities or other investments related to a project; or
- (2) the performance of the district's duties and execution of any of the districts's powers;

including public-private agreements (as defined in IC 5-23-2-13).

Sec. 16. The district may enter into agreements with government agencies, political subdivisions, private transportation companies, railroads, and other persons providing for:

- (1) construction, improvement, renovation, operation, maintenance, and use by the other party of any public transportation system and equipment held or later acquired by the district; and
- (2) acquisition of any public transportation system and equipment of another party if all or part of the operations of that party take place within the jurisdiction of the district.

Sec. 17. The district may lease to others for development or operation all or any part of the property of the district on the

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terms and conditions as the board considers advisable.

Sec. 18. The district may invest money not immediately needed for a project as provided in a resolution, agreement, or trust agreement of the board.

Sec. 19. A district may enter into an agreement with another district or any other entity to:

(1) jointly equip, own, lease, and finance projects and facilities; or

(2) otherwise carry out the purposes of the district; in any location.

Sec. 20. The district may rent or lease any real property, including air rights above real property owned or leased by a transportation system, for transportation or other purposes, with the revenues from those rentals to accrue to the district and to be used exclusively for the purposes of this article.

Sec. 21. The district may sell, lease, or otherwise contract for advertising in or on the facilities of the district.

Sec. 22. The district may administer any rail services or other use of rail rights-of-way that may be the responsibility of state or local government under the Federal Regional Rail Reorganization Act of 1973, as amended (45 U.S.C. Sections 701 through 794).

Sec. 23. The district may determine the level and kind of public transportation services to be provided by the district.

Sec. 24. The district may make grants and loans to and purchase securities of any public transportation agency to carry out the public transportation purposes of the district.

Sec. 25. The district may do all other acts necessary or reasonably incident to carrying out the purposes of this article.

Chapter 6. Administration

Sec. 1. The board shall adopt an annual budget for the district.

Sec. 2. The district may establish the funds and accounts that the district determines necessary. The district shall account for revenues as required to comply with the requirements specified in any agreement with a bondholder or other agreement.

Sec. 3. The district is subject to audit under IC 5-11-1.

Sec. 4. A district shall before April 1 of each year issue a report to the legislative council, the budget committee, and the governor concerning the operations and activities of the district during the preceding calendar year. The report to the legislative council must be in an electronic format under IC 5-14-6.

Sec. 5. The board shall appoint an executive director to manage the district.

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Sec. 6. The board may establish the advisory committees that the board determines to be advisable.

Sec. 7. All employees of the district:

- (1) shall be employed solely on the basis of ability, taking into account their qualifications to perform the duties of their positions;**
- (2) shall be employed regardless of political affiliation;**
- (3) may not be appointed, promoted, reduced, removed, or in any way favored or discriminated against because of their political affiliation, race, religion, color, sex, national origin, or ancestry;**
- (4) are ineligible to hold, or be a candidate for, elected office (as defined in IC 3-5-2-17) while employed by the district;**
- (5) may not solicit or receive political contributions;**
- (6) may not be required to make contributions for or participate in political activities;**
- (7) shall be employed on a six (6) month probationary period, with a written evaluation prepared after five (5) months of service by their immediate supervisor for the executive director to determine if employment should continue beyond the probationary period; and**
- (8) shall be evaluated annually in writing by their immediate supervisor to advise the executive director as to whether the employees should remain in their positions.**

Chapter 7. Procurement

Sec. 1. A district shall comply with IC 5-16-7 (common construction wage), IC 5-22 (public purchasing), IC 36-1-12 (public work projects), and any applicable federal bidding statutes and regulations.

Sec. 2. An entity that receives a loan, a grant, or other financial assistance from a district or enters into a lease with a district must comply with applicable federal, state, and local public purchasing and bidding laws and regulations. However, a purchasing agency (as defined in IC 5-22-2-25) of a political subdivision may:

- (1) assign or sell a lease for property to a district; or**
- (2) enter into a lease for property with a district;**

at any price and under any other terms and conditions as may be determined by the entity and the district. However, before making an assignment or a sale of a lease or entering into a lease under this section that would otherwise be subject to IC 5-22, the political subdivision or its purchasing agent must obtain or cause to be obtained a purchase price for the property to be subject to the

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lease from the lowest responsible and responsive bidder in accordance with the requirements for the purchase of supplies under IC 5-22.

Sec. 3. With respect to projects undertaken by a district, the district shall set a goal for participation by minority business enterprises and women's business enterprises. The goals must be consistent with:

- (1) the participation goals established by the counties and municipalities that are members of the district; and
- (2) the goals of delivering the project on time and within the budgeted amount and, insofar as possible, using Indiana businesses for employees, goods, and services.

Sec. 4. If a district is unable to agree with the owners, lessees, or occupants of any real property selected for the purposes of this article, the district may proceed under IC 32-24-1 to procure the condemnation of the property. The district may not institute a proceeding until it has adopted a resolution that:

- (1) describes the real property sought to be acquired and the public purposes for which the real property is to be used;
- (2) declares that the public interest and necessity require the acquisition by the district of the property involved; and
- (3) sets out any other facts that the district considers necessary or pertinent.

The resolution is conclusive evidence of the public necessity of the proposed acquisition.

Chapter 8. Planning

Sec. 1. After reviewing the transportation plans of the Indiana department of transportation and regional and other planning agencies, a district shall develop, continuously update, and implement long range comprehensive transportation plans to ensure the orderly development and maintenance of an efficient system of public transportation in the district.

Sec. 2. A district shall prepare a comprehensive strategic development plan that will meet present and future public transit needs and that includes detailed information concerning the following:

- (1) The proposed projects to be undertaken or financed by the district.
- (2) The following information for each project included under subdivision (1):
 - (A) Time line and budget.
 - (B) The return on investment.

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(C) The projected or expected need for an ongoing subsidy.

(D) Any projected or expected federal matching funds.

Sec. 3. The district shall, not later than January 1 of the second year following the year in which the district is established, submit the comprehensive strategic development plan for review by the budget committee.

Sec. 4. The district may enter into agreements with other persons to participate in transportation planning activities.

Chapter 9. Acquisition and Construction of Public Transportation Facilities

Sec. 1. The district may:

(1) construct or acquire any public transportation facility for use by the district or any transportation agency; and

(2) acquire transportation facilities from any transportation agency, including:

(A) reserve funds;

(B) employees' pension or retirement funds;

(C) special funds;

(D) franchises;

(E) licenses;

(F) patents;

(G) permits; and

(H) papers and records of the agency.

In making acquisitions from a transportation agency, the district may assume the obligations of the agency regarding its property or public transportation operations.

Sec. 2. The district may acquire, improve, maintain, lease, and rent facilities, including air rights, that are within one hundred (100) yards of a terminal, station, or other facility of the district. If these facilities generate revenues that exceed their cost to the district, the district must use the excess revenues to improve transportation services or reduce fares for the public.

Chapter 10. Operation of Public Transportation Facilities

Sec. 1. The district may provide public transportation service by operating public transportation facilities only if the board finds that no public or private transportation agency or corporation is willing or able to provide public transportation service.

Sec. 2. The district may enter into operating agreements with any private or public person to operate transportation facilities on behalf of the district only after the board has made an affirmative effort to seek out and encourage private owners and operators to provide the needed public transportation service.

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Sec. 3. Whenever the district provides any public transportation service by operating public transportation facilities, it shall establish the level and nature of fares or charges to be made for public transportation services and the nature and standards of public transportation service to be provided within the jurisdiction of the district.

Sec. 4. The board shall, to the extent it considers feasible, adopt uniform standards for the making of grants and purchase of service agreements. These grant contracts or purchase of service agreements may be for the number of years or duration agreed to by the district and the transportation agency.

Sec. 5. If the district provides grants for operating expenses or participates in any purchase of service agreement, the purchase of service agreement or grant contract must state the level and nature of fares or charges to be made for public transportation services and the nature and standards of public transportation to be so provided. In addition, any purchase of service agreements or grant contracts must provide, among other matters, for:

- (1) the terms or cost of transfers or interconnections between different public transportation agencies;
- (2) schedules or routes of transportation service;
- (3) changes that may be made in transportation service;
- (4) the nature and condition of the facilities used in providing service;
- (5) the manner of collection and disposition of fares or charges;
- (6) the records and reports to be kept and made concerning transportation service; and
- (7) interchangeable tickets or other coordinated or uniform methods of collection of charges.

The district shall also undertake programs to promote use of public transportation and to provide ticket sales and passenger information.

Chapter 11. Bonds

Sec. 1. (a) A district may issue bonds to obtain money to pay the cost of:

- (1) acquiring real or personal property, including existing capital improvements;
- (2) acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects; or
- (3) funding or refunding bonds or other evidences of indebtedness issued under this article, IC 8-5-15, IC 8-9.5-7,

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IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law.

(b) The bonds are payable solely from:

- (1) the lease rentals from the lease of the projects for which the bonds were issued, insurance proceeds, and any other funds pledged or available; and
- (2) to the extent designated in the agreements for the bonds, revenue received by the district and amounts deposited in a district fund.

(c) The bonds must be authorized by a resolution of the board of the district that issues the bonds.

(d) The terms and form of the bonds must either be set out in the resolution or in a form of trust indenture approved by the resolution.

(e) The bonds must mature within forty (40) years.

(f) A board may sell the bonds only:

- (1) to the Indiana bond bank established by IC 5-1.5-2-1 upon the terms determined by the board and the Indiana bond bank;
- (2) to the Indiana finance authority created by IC 4-4-11-4 upon the terms determined by the development board and the Indiana finance authority; or
- (3) in the manner and for the price as the board may determine to be in the best interest of the district, either at public sale under IC 5-1-11 or at private sale.

(g) All money received from any bonds issued under this article shall be applied solely to the payment of the cost of acquiring, constructing, improving, reconstructing, or renovating one (1) or more projects, or the cost of refunding or refinancing outstanding bonds, for which the bonds are issued. The cost may include:

- (1) planning and development of equipment or a facility and all buildings, facilities, structures, equipment, and improvements related to the facility;
- (2) acquisition of a site and clearing and preparing the site for construction;
- (3) equipment, facilities, structures, and improvements that are necessary or desirable to make the project suitable for use and operations;
- (4) architectural, engineering, consultant, and attorney's fees;
- (5) incidental expenses in connection with the issuance and sale of bonds;
- (6) reserves for principal and interest;

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- (7) interest during construction;
- (8) financial advisory fees;
- (9) insurance during construction;
- (10) municipal bond insurance, debt service reserve insurance, letters of credit, or other credit enhancement; and
- (11) in the case of refunding or refinancing, payment of the principal of, redemption premiums (if any) for, and interest on the bonds being refunded or refinanced.

Sec. 2. This article contains full and complete authority for the issuance of bonds. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by a development board or any other officer, department, agency, or instrumentality of the state or of any political subdivision is required to issue any bonds, except as prescribed in this article.

Sec. 3. (a) A district may secure bonds issued under this article by a trust indenture between the district and a corporate trustee, which may be any trust company or national or state bank in Indiana that has trust powers.

(b) The trust indenture may:

- (1) pledge or assign revenue received by the district, amounts deposited in a district fund, and lease rentals, receipts, and income from leased projects, but may not mortgage land or projects;
- (2) contain reasonable and proper provisions for protecting and enforcing the rights and remedies of the bondholders, including covenants setting forth the duties of the district and board;
- (3) set forth the rights and remedies of bondholders and trustees; and
- (4) restrict the individual right of action of bondholders.

(c) Any pledge or assignment made by the district under this section is valid and binding in accordance with IC 5-1-14-4 from the time that the pledge or assignment is made, against all persons whether they have notice of the lien. Any trust indenture by which a pledge is created or an assignment made need not be filed or recorded. The lien is perfected against third parties in accordance with IC 5-1-14-4.

Sec. 4. (a) Bonds issued under IC 8-5-15, IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law may be refunded as provided in this section.

(b) A public transportation agency may:

- (1) lease all or a part of land or a project or projects to a

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district, which may be at a nominal lease rental with a lease back to the public transportation agency, conditioned upon the district assuming bonds issued under IC 8-5-15, IC 8-9.5-7, IC 8-22-3, IC 36-7.5, IC 36-7.6, IC 36-9-3, IC 36-9-4, or prior law and issuing its bonds to refund those bonds; and

(2) sell all or a part of land or a project or projects to a district for a price sufficient to provide for the refunding of those bonds and lease back the land or project or projects from the district.

Sec. 5. Bonds issued under this article are legal investments for private trust funds and the funds of banks, trust companies, insurance companies, building and loan associations, credit unions, savings banks, private banks, loan and trust and safe deposit companies, rural loan and savings associations, guaranty loan and savings associations, mortgage guaranty companies, small loan companies, industrial loan and investment companies, and other financial institutions organized under Indiana law.

Sec. 6. An action to contest the validity of bonds to be issued under this article may not be brought after the time limitations set forth in IC 5-1-14-13.

Sec. 7. The general assembly covenants that it will not:

(1) repeal or amend this article in a manner that would adversely affect owners of outstanding bonds, or the payment of lease rentals, secured by the amounts pledged under this article; or

(2) in any way impair the rights of owners of bonds of a district, or the owners of bonds secured by lease rentals or by a pledge of revenues under this article.

Chapter 12. Leases and Agreements With Public Transportation Agencies

Sec. 1. (a) Before a lease may be entered into by a public transportation agency under this article, the public transportation agency must find that the lease rental provided for is fair and reasonable.

(b) A lease of land or a project from a district to a public transportation agency:

(1) may not have a term exceeding forty (40) years;

(2) may not require payment of lease rentals for a newly constructed project or for improvements to an existing project until the project or improvements to the project have been completed and are ready for occupancy or use;

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- (3) may contain provisions:
- (A) allowing the public transportation agency to continue to operate an existing project until completion of the acquisition, improvements, reconstruction, or renovation of that project or any other project; and
 - (B) requiring payment of lease rentals for land, for an existing project being used, reconstructed, or renovated, or for any other existing project;
- (4) may contain an option to renew the lease for the same or a shorter term on the conditions provided in the lease;
- (5) must contain an option for the public transportation agency to purchase the project upon the terms stated in the lease during the term of the lease for a price equal to the amount required to pay all indebtedness incurred on account of the project, including indebtedness incurred for the refunding of that indebtedness;
- (6) may be entered into before acquisition or construction of a project;
- (7) may provide that the public transportation agency shall agree to:
- (A) pay any taxes and assessments on the project;
 - (B) maintain insurance on the project for the benefit of the district;
 - (C) assume responsibility for utilities, repairs, alterations, and any costs of operation; and
 - (D) pay a deposit or series of deposits to the district from any funds available to the public transportation agency before the commencement of the lease to secure the performance of the public transportation agency's obligations under the lease; and
- (8) must provide that the lease rental payments by the public transportation agency shall be made from the district and may provide that the lease rental payments by the public transportation agency shall be made from:
- (A) net revenues of the project;
 - (B) any other funds available to the public transportation agency; or
 - (C) both sources described in clauses (A) and (B).

Sec. 2. This article contains full and complete authority for leases between a district and a public transportation agency. No law, procedure, proceedings, publications, notices, consents, approvals, orders, or acts by a district or the public transportation

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agency or any other officer, department, agency, or instrumentality of the state or any political subdivision is required to enter into any lease, except as prescribed in this article.

Sec. 3. If a lease provides for a project or improvements to a project to be constructed by a district, the plans and specifications shall be submitted to and approved by all agencies designated by law to pass on plans and specifications for public buildings.

Sec. 4. A district and a public transportation agency may enter into common wall (party wall) agreements or other agreements concerning easements or licenses. These agreements shall be recorded with the recorder of the county in which the project is located.

Sec. 5. (a) A public transportation agency may lease for a nominal lease rental, or sell to a district, one (1) or more projects or parts of a project or land on which a project is located or is to be constructed.

(b) Any lease of all or a part of a project by a public transportation agency to a district must be for a term equal to the term of the lease of that project back to the public transportation agency.

(c) A public transportation agency may sell property to a district for the amount the eligible political subdivision determines to be in the best interest of the public transportation agency. The district may pay that amount from the proceeds of bonds of the district.

Sec. 6. If a public transportation agency exercises its option to purchase leased property, the eligible political subdivision may issue its bonds as authorized by statute.

Chapter 13. Accounts; Revenues

Sec. 1. Each public transportation agency, participating county, and city or town in a participating county shall transfer to the district the amount determined by the agreements approved by the board and the fiscal body of the public transportation agency, participating county, or city or town in a participating county on the schedule specified in the agreements.

Sec. 2. The amount transferred under section 1 of this chapter may come from any unrestricted source of revenue available to the public transportation agency, participating county, or city or town in a participating county, including any revenue received by the public transportation agency from a tax imposed under IC 6-3.5.

Sec. 3. The district may use the following revenues only for the operation of the district or a project:

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- (1) Transfers under section 1 of this chapter.
- (2) Property taxes from an allocation area in a district.
- (3) A special property tax imposed under IC 8-24-14-7.
- (4) Revenue distributed to a district from a county economic development income tax imposed under IC 6-3.5-7-34.

Sec. 4. To provide revenue to a district during a year, the district may recommend and the county fiscal body of a county that is a member of the district may elect to provide revenue to the district part of the certified distribution that constitutes certified shares, if any, that the county is to receive during the same year under IC 6-3.5-1.1-10 or from part of the certified distribution, if any, that the county is to receive during that same year under IC 6-3.5-6-17. To make the election, the county fiscal body must adopt an ordinance before September 1 of the preceding year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to provide revenue to the district. If the ordinance is adopted, the county fiscal body immediately shall send a copy of the ordinance to the county auditor. Money distributed to the district under this section may be used only for the purposes of the district specified in an ordinance adopted by the fiscal body.

Chapter 14. Allocation Areas

Sec. 1. (a) Whenever the board finds that an allocation area in the district is likely to benefit from proximity to a public transportation system, the board shall cause to be prepared the data described in subsection (b).

(b) After making a finding under subsection (a), the commission shall cause to be prepared:

- (1) maps and plats showing:
 - (A) the boundaries of the allocation area that is likely to receive a benefit; and
 - (B) the location of the various parcels of property, streets, alleys, and other features affecting the benefits from a public transportation system, indicating any parcels of property to be excluded from an allocation area;
- (2) lists of the owners of the various parcels of property proposed to be benefited by establishment of an allocation area or the amendment of the resolution or plan for an existing allocation area;
- (3) the location of any existing allocation area (as defined in IC 6-1.1-21.2-3) relative to the proposed allocation area; and
- (4) the costs of the project that will be funded by property

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taxes allocated from the allocation area.

(c) This subsection applies to the initial establishment of an allocation area. After completion of the data required by subsection (b), the board shall adopt a resolution declaring that:

- (1) the area will benefit from proximity to a public transportation system;
- (2) it will be of public utility and benefit to designate the allocation area under this chapter to fund a project;
- (3) the area is designated as an allocation area for purposes of this chapter; and
- (4) the proposed allocation area is not in an existing allocation area (as defined in IC 6-1.1-21.2-3).

The resolution must state the general boundaries of the allocation area and contain any provisions required by section 6 of this chapter.

(d) This subsection applies to the amendment of the resolution or plan for an existing allocation area. After completion of the data required by subsection (b), the board shall adopt a resolution declaring that:

- (1) if the amendment enlarges the boundaries of the allocation area, the existing allocation area does not generate sufficient revenue to meet the financial obligations of the original project;
- (2) it will be of public utility and benefit to amend the resolution or plan for the allocation area;
- (3) the additional area is designated as part of the existing allocation area for purposes of this chapter; and
- (4) the proposed allocation area is not in an existing allocation area (as defined in IC 6-1.1-21.2-3).

The resolution must state the general boundaries of the allocation area, including any changes made to those boundaries by the amendment, describe the activities that the district is permitted to take under the amendment, with any designated exceptions, and contain any provisions required by section 6 of this chapter.

(e) For the purpose of adopting a resolution under subsection (c) or (d), it is sufficient to describe the boundaries of the allocation area by its location in relation to public ways or streams, or otherwise, as determined by the board. Property excepted from the application of a resolution may be described by street numbers or location.

(f) An allocation established under this section may not be located in any allocation area (as defined in IC 6-1.1-21.2-3)

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established before the action taken under this section.

Sec. 2. (a) After adopting a resolution under section 1 of this chapter, the board shall publish notice of the adoption and substance of the resolution in accordance with IC 5-3-1. The notice must:

- (1) state that maps and plats have been prepared and can be inspected at the office of the district; and
- (2) name a date, time, and place when the board will:
 - (A) receive and hear remonstrances and objections from persons interested in or affected by the proceedings pertaining to the proposed project or other actions to be taken under the resolution; and
 - (B) determine the public utility and benefit of the proposed project or other actions.

All persons affected in any manner by the hearing, including all taxpayers of the special taxing district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and orders of the board by the notice given under this section.

(b) The board shall file the following information with each taxing unit that is wholly or partly located within the allocation area:

- (1) A copy of the notice required by subsection (a).
- (2) A statement disclosing the impact of the allocation area, including the following:
 - (A) The estimated economic benefits and costs incurred by the allocation area, as measured by increased employment and anticipated growth of real property assessed values.
 - (B) The anticipated impact on tax revenues of each taxing unit.

The board shall file the information required by this subsection with the officers of the taxing unit who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 at least ten (10) days before the date of the hearing.

(c) At the hearing, which may be adjourned from time to time, the board shall hear all persons interested in the proceedings and shall consider all written remonstrances and objections that have been filed. After considering the evidence presented, the board shall take final action determining the public utility and benefit of the proposed project or other actions to be taken under the resolution, and confirming, modifying and confirming, or rescinding the resolution. The final action taken by the board shall

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be recorded and is final and conclusive, except that an appeal may be taken in the manner prescribed by section 3 of this chapter.

Sec. 3. (a) A person who filed a written remonstrance with the board under section 2 of this chapter and is aggrieved by the final action taken may, within ten (10) days after that final action, file in the office of the clerk of the circuit or superior court a copy of the order of the board and the person's remonstrance against that order, together with the person's bond conditioned to pay the costs of the person's appeal if the appeal is determined against the person. The only ground of remonstrance that the court may hear is whether the proposed project will be of public utility and benefit. The burden of proof is on the remonstrator.

(b) An appeal under this section shall be promptly heard by the court without a jury. All remonstrances upon which an appeal has been taken shall be consolidated and heard and determined within thirty (30) days after the time of the filing of the appeal. The court shall hear evidence on the remonstrances, and may confirm the final action of the board or sustain the remonstrances. The judgment of the court is final and conclusive, unless an appeal is taken as in other civil actions.

Sec. 4. If no appeal is taken or if an appeal is taken but is unsuccessful, the board may proceed with the designation or expansion of the allocation area.

Sec. 5. After each general reassessment under IC 6-1.1-4, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this section may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the allocation area than would otherwise have been received if the general reassessment or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

Sec. 6. (a) A resolution adopted under section 1 of this chapter shall include a provision with respect to the allocation and

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distribution of property taxes for the purposes and in the manner provided in this section. A resolution previously adopted must include an allocation provision by the amendment of that resolution in accordance with the procedures required for its original adoption.

(b) A resolution or an amendment that establishes an allocation provision must specify an expiration date for the allocation provision. The expiration date may not be more than twenty-five (25) years after the date on which the allocation provision is established.

(c) The allocation provision may apply to all or part of the allocation area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, property tax proceeds that exceed those described in subdivision (1) shall be allocated to the district and, when collected, paid into an allocation fund for that allocation area that may be used by the district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely or in any part from allocated tax proceeds which are incurred by the district for the purpose of financing or refinancing a project that benefits the allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds issued by a public transportation agency to pay for a project that benefits the allocation area.

(D) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds

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in that allocation area.

(E) Make payments on leases that benefit the allocation area.

(F) Reimburse the district or a public transportation agency for expenditures made by it for the organization of the district or a project that benefits the allocation area.

(3) Except as provided in subsection (g), before July 15 of each year, the board shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (2) plus the amount necessary for other purposes described in subdivision (2).

(B) Provide a written notice to the county auditor, the fiscal body of the county, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the board has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the board has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the board. The board may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (2) or lessors under this article.

(d) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the

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declaratory resolution is the lesser of:

(1) the assessed value of the property for the assessment date with respect to which the allocation and distribution are made; or

(2) the base assessed value.

(e) Property tax proceeds allocable to the district under subsection (c)(2) may, subject to subsection (c)(3), be irrevocably pledged by the district for payment as set forth in subsection (c)(2).

(f) Notwithstanding any other law, each assessor shall, upon petition of the board, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(g) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

(1) the assessed value of the property as valued without regard to this section; or

(2) the base assessed value.

(h) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (c)(2) shall establish an allocation fund for the purposes specified in subsection (c)(2) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (c)(1) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (c)(2) for the year. The amount sufficient for purposes specified in subsection (c)(2) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (c)(2) shall establish a special zone fund and deposit all the property tax proceeds that exceed those described in subsection (c)(1) in the fund derived from property tax proceeds in excess of those described in subsection (c)(1) from

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property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (c)(2), except that where reference is made in subsection (c)(2) to the allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

Sec. 7. (a) A board may levy each year a special tax on all the property in an allocation area in the district, in such a manner as to meet and pay the principal of the bonds as they mature, together with all accruing interest on the bonds or lease rental payments under this article. The board shall cause the tax levied to be certified to the proper officers as other tax levies are certified, and to the auditor of the county in which the district is located, before the second day of October in each year. The tax shall be estimated and entered on the tax duplicate by the county auditor and shall be collected and enforced by the county treasurer in the same manner as other state and county taxes are estimated, entered, collected, and enforced.

(b) As the tax is collected, it shall be accumulated in a separate fund to be known as the allocation area fund and shall be applied to the purposes for which money allocated to the district under section 6 of this chapter may be used. All accumulations of the fund before their use shall be deposited with the depository or depositories for other public funds of the unit in accordance with IC 5-13, unless they are invested under IC 5-13-9.

(c) The tax levies provided for in this section are reviewable by other bodies vested by law with the authority to ascertain that the levies are sufficient to raise the amount that, with other amounts available, is sufficient to meet the payments under the lease payable from the levy of taxes.

Sec. 8. The state board of accounts and department of local government finance shall adopt rules and prescribe forms and procedures they consider expedient for the implementation of this chapter.

SECTION 35. IC 36-7-13.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) When

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necessary to accomplish the purposes of the commission, the commission may do the following:

- (1) Conduct studies necessary for the performance of the commission's duties.
- (2) Publicize, advertise, and distribute reports on the commission's purposes, objectives, and findings.
- (3) Provide recommendations in matters related to the commission's functions and objectives to the following:
 - (A) Political subdivisions that have territory within the corridor.
 - (B) Other public and private agencies.
- (4) When requested, act as a coordinating agency for programs and activities of other public and private agencies that are related to the commission's objectives.
- (5) Receive grants and appropriations from the following:
 - (A) Federal, state, and local governments.
 - (B) Individuals.
 - (C) Foundations.
 - (D) Other organizations.

(6) Subject to subsection (b), establish one (1) or more green sustainability districts in the territory under the jurisdiction of the commission.

(b) A green sustainability district established under subsection (a)(6) must contain at least two hundred fifty (250) contiguous acres.

~~(b)~~ (c) The commission may contract for staff services with:

- (1) qualified agencies or individuals; or
- (2) a **regional** planning commission established under IC 36-7-7.

SECTION 36. IC 36-9-4-29.4, AS AMENDED BY P.L.99-2007, SECTION 223, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 29.4. (a) This section does not apply to a public transportation corporation located in a county having a consolidated city.

(b) A public transportation corporation may provide regularly scheduled passenger service to specifically designated locations outside the system's operational boundaries as described in IC 36-9-1-9 if all of the following conditions are met:

- (1) The legislative body of the municipality approves any expansion of the service outside the municipality's corporate boundaries.
- (2) The expanded service is reasonably required to do any of the following:

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(A) Enhance employment opportunities in the new service area or the existing service area.

(B) Serve persons who are elderly, persons with a disability, or other persons who are in need of public transportation.

~~(3) The rates or compensation for the expanded service are sufficient, on a fully allocated cost basis, to prevent a property tax increase in the taxing district solely as a result of the expanded service.~~

~~(4)~~ (3) Except as provided in subsection (e), the expanded service does not extend beyond the boundary of the county in which the corporation is located.

~~(5) The corporation complies with sections 29.5 and 29.6 of this chapter.~~

(c) Notwithstanding section 39 of this chapter, a public transportation corporation may provide demand responsive service outside of the system's operational boundaries as described in IC 36-9-1-9 if the conditions listed in subsection (b) are met.

(d) The board may contract with a private operator for the operation of an expanded service under this section.

(e) Subsection ~~(b)(4)~~ (b)(3) does not apply to a special purpose bus (as defined in IC 20-27-2-10) or a school bus (as defined in IC 20-27-2-8) that provides expanded service for a purpose permitted under IC 20-27-9.

SECTION 37. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 36-9-4-29.5; IC 36-9-4-29.6.

SECTION 38. [EFFECTIVE JULY 1, 2008 (RETROACTIVE)] (a) **The following definitions apply throughout this SECTION:**

(1) "Phase 1 of the West Lake line" means a commuter transportation district project (as defined in IC 8-5-15-1) that extends passenger rail service by the Chicago, South Shore, and South Bend Railroad along a route to Lowell, Indiana.

(2) "Transportation entity" refers to the following, as appropriate:

(A) The Northern Indiana Commuter Transportation District.

(B) The Central Indiana Regional Transportation Authority.

(C) The Indianapolis Public Transportation Corporation.

(b) There is appropriated to the Northern Indiana Commuter Transportation District fifteen million dollars (\$15,000,000) from the state general fund for its use in relocating rail lines to the west side of the airport in South Bend, Indiana, beginning July 1, 2008,

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and ending June 30, 2010.

(c) There is appropriated to the Northern Indiana Commuter Transportation District fifteen million dollars (\$15,000,000) from the state general fund for its use in conducting preliminary engineering and environmental studies and other activities necessary or appropriate to construct phase 1 of the West Lake line, beginning July 1, 2008, and ending June 30, 2010.

(d) There is appropriated to the Northern Indiana Commuter Transportation District five million dollars (\$5,000,000) from the state general fund for its use in making railroad track safety and efficiency improvements in Michigan City, Indiana, beginning July 1, 2008, and ending June 30, 2010.

(e) There is appropriated to the Central Indiana Regional Transportation Authority fifteen million dollars (\$15,000,000) from the state general fund for its use in advancing the proposed rail transit for the northeast corridor of central Indiana, beginning July 1, 2008, and ending June 30, 2010.

(f) There is appropriated to the Indianapolis Public Transportation Corporation three million dollars (\$3,000,000) from the state general fund for the purposes authorized under IC 36-9-4 for a public transportation corporation, beginning July 1, 2008, and ending June 30, 2010.

(g) The sums appropriated to the transportation entities by this SECTION are in addition to all other income and receipts of the transportation entities and shall not be considered in awarding grants to transportation entities under a law other than this SECTION. Notwithstanding IC 4-10-11, IC 4-12-1-14, or any other law, the amount of the appropriations under this SECTION shall be:

- (1) allotted for distribution to the transportation entities; and
- (2) distributed upon warrant issued by the auditor of state to the appropriate transportation entity;

as soon as practicable without further review or approval by any other state official or body. A transportation entity shall periodically file with the budget agency financial statements showing the uses of the amount distributed to the transportation entity under this SECTION on the schedule, in the form, and with the detail prescribed by the budget agency.

(h) Notwithstanding IC 4-9.1-1-7, IC 4-12-1-12, IC 4-12-1-14.1, IC 4-13-2-23, or any other law, an appropriation under this SECTION and the money appropriated by this SECTION are not subject to transfer, assignment, or reassignment for any use or

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purpose other than the uses and purposes specified in this SECTION.

(i) This SECTION expires January 1, 2011.

SECTION 39. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "district" refers to a green sustainability district referred to in IC 36-7-13.5-12, as amended by this act.

(b) The shoreline development commission established by IC 36-7-13.5-2 shall do the following:

(1) Develop a written report making recommendations concerning the following:

- (A) The purposes, goals, powers, and duties of districts.
- (B) The appropriate structure of leadership and administration of districts.
- (C) An appropriate plan for financing the activities of districts, including the identification of potential revenue sources.
- (D) Proposed legislation necessary to effectuate the commission's recommendations.

(2) Include in the report the current status of the following in established districts and potential districts:

- (A) Utility infrastructure and service.
- (B) Land use.
- (C) Environmentally sound and energy efficient building.
- (D) Neighborhood social sustainability programs and services.
- (E) Public infrastructure.

(3) Submit the report before November 1, 2009, as follows:

- (A) To the governor.
- (B) To the legislative council in an electronic format under IC 5-14-6.

(c) This SECTION expires January 1, 2010.

SECTION 40. An emergency is declared for this act."

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 374 as reprinted February 24, 2009.)

HARRIS, Chair

Committee Vote: yeas 7, nays 2.

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